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**COLONIAL DEVELOPMENT CORPORATION**

**REPORT AND ACCOUNTS**

**1956**





**C**OLONIAL DEVELOPMENT CORPORATION is a public corporation established by UK Parliament, under Overseas Resources Development Acts, 1948 and 1956, for the purpose of assisting colonial territories in the development of their economies.

It has powers to borrow up to £100m long-term and £10m short-term outstanding at any one time. There is no share capital and the loan money has been had from the UK Treasury; interest has to be paid over the life of each loan at the rate current at the time of each advance. On long-term loans interest payments are postponed for the first seven years; loans and interest are repayable by 33 annuities starting in the eighth year.

CDC is a commercial organisation and is required to pay its way.

Members of the Corporation (chairman, deputy chairman and from four to ten others) are appointed by Colonial Secretary. The general manager is chief executive officer.

# COLONIAL DEVELOPMENT CORPORATION

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

For year to  
31.12.56

*Presented to Parliament in pursuance of Section 16 (5) of the Overseas  
Resources Development Act, 1948*

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*Ordered by The House of Commons to be Printed  
17th April 1957*

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LONDON  
HER MAJESTY'S STATIONERY OFFICE

# COLONIAL DEVELOPMENT CORPORATION

33 Hill Street,  
London W1

The Rt Hon A. T. Lennox-Boyd, MP  
*Secretary of State for the Colonies*

The members of the Colonial Development Corporation have the honour to submit Report and Statement of Accounts for year to 31.12.56.

(Sgd) J. C. W. Reith

H. N. Hume

Hugh Beaver

A. Gaitskell

J. Hathorn Hall

Macdonald of Gwaenysgor

G. Tyser

21 March 1957

## Members

Lord Reith  
(*Chairman*)

Sir Nutcombe Hume  
(*Deputy Chairman*)

Sir Hugh Beaver

A. Gaitskell

Sir John Hathorn Hall

Lord Macdonald of Gwaenysgor

G. Tyser

At 31.3.57, to the great regret of their colleagues, Mr. Tyser retires after six years service on the Board and Sir John Hall after five.



## Executive Chief Officers

General Manager    ...    ...    W. Rendell, ACA

### Head Office Controllers

Finance            ...    ...    G. W. Totman, ACA

Investigations    ...    ...    R. Prentice, CA

Operations        ...    ...    H. A. Cochran, OBE, BSc, MIMinE, MInstMM

H. L. Pryce, ACA

Sir Reginald Saloway, KBE, CMG, CIE

### Regional Controllers

Caribbean        ...    ...    A. C. Grieve

Far East           ...    ...    D. E. M. Fiennes

East Africa        ...    ...    R. E. Norton, CMG, OBE

Central Africa    ...    ...    G. E. Thornton, CMG, MBE

High Commission Territories    G. C. Wishart, LLB

West Africa        ...    ...    G. I. Firmston-Williams

## Regions

Caribbean        ...    British Honduras, British Guiana, all British West Indies Islands, Bahamas and Falkland Islands; hq Bridgetown, Barbados;

Far East...        ...    Federation of Malaya\*, Singapore, North Borneo, Brunei, Sarawak, Hong Kong, Fiji and the Western Pacific Islands; hq Singapore;

East Africa        ...    Kenya, Uganda, Tanganyika, Seychelles, Mauritius, Zanzibar; hq Nairobi;

Central Africa    ...    Federation of Rhodesia and Nyasaland; hq Salisbury;

High Commission Territories    Basutoland, Bechuanaland Protectorate, Swaziland, Tristan da Cunha; hq Johannesburg;

West Africa        ...    Nigeria (including Cameroons), Ghana\* (including Togoland), Gambia, Sierra Leone ; hq Lagos.

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\* Ghana and Malaya—see §15 (3) for interdictions.

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# COLONIAL DEVELOPMENT CORPORATION

## ANNUAL REPORT 1956

### I GENERAL REVIEW

Report and Accounts are for year to 31.12.56; later information included where interesting.

#### 1 Revenue account

(1) Surplus for 1956 after providing interest £416,173 was £572,809 (1955 £306,756 interest, £409,233 profit).

(2) Net operating profit from direct projects and subsidiaries was £371,718 (1955 £113,165).

(3) Borneo Abaca Ltd and British Guiana Timbers Ltd among others continued 1955 improvement, both making a profit. Macalder-Nyanza Mines Ltd, on reopening, was the only substantial loss; better results are expected when initial troubles are overcome and efficiency improved—if the price of copper does not drop much further.

#### 2 Number of projects

(1) Eight new ones:

Amalgamated Engineering Co Ltd, Nigeria

Coastal Hotels Ltd, Kenya

Federal Land Development Authority, Malaya

Federal Power Board (Kariba)

Kaduna Housing, Northern Nigeria

Nyasaland African Housing

Ox Bow Lake Power and Water Investigation, Basutoland

Unga Ltd, Kenya

(2) Contracts for Mampong-Bolgatanga road (Ghana) and Cocoa and Gusau-Sokoto roads (Nigeria) are finished; debenture rights in Turks Islands Salt Co Ltd waived; Cramer Estates sold; Nyika Forestry Investigation discontinued for reasons in § 69; there are thus 66 continuing projects and investigations (63 last year).

#### 3 Grouping of continuing projects

These 66 are shown grouped regionally and by territories, with capital approved for each:

| Region and Territory                      | Project                                             | Capital approved for |                                   |
|-------------------------------------------|-----------------------------------------------------|----------------------|-----------------------------------|
|                                           |                                                     | Project<br>£000's    | Region and<br>Territory<br>£000's |
| <b>Caribbean</b> ... ..                   |                                                     |                      | <b>7,642</b>                      |
| Barbados ... ..                           | Barbados Light and Power Co Ltd ... ..              | 250                  | 250                               |
| British Guiana ... ..                     | British Guiana Consolidated Goldfields Ltd ... ..   | 762                  |                                   |
|                                           | British Guiana Rice Development Co Ltd ... ..       | 1,292                |                                   |
|                                           | British Guiana Timbers Ltd ... ..                   | 2,062                |                                   |
|                                           | Potaro Hydro-electric Co Ltd ... ..                 | 392                  | 4,508                             |
| British Honduras ... ..                   | British Honduras Fruit Co. Ltd (citrus) ... ..      | 130                  |                                   |
|                                           | Fort George Hotel ... ..                            | 286                  | 416                               |
| Dominica ... ..                           | Dominica Electricity Services ... ..                | 225                  |                                   |
|                                           | Melville Hall Estate ... ..                         | 80                   | 305                               |
| Jamaica ... ..                            | Cayman Islands Airport ... ..                       | 60                   |                                   |
|                                           | Jamaica Citrus Growers Ltd ... ..                   | 110                  |                                   |
|                                           | Jamaica Cooling Store ... ..                        | 138                  |                                   |
|                                           | Jamaica Public Service Co Ltd ... ..                | 300                  | 608                               |
| St Vincent ... ..                         | St Vincent Electricity Services ... ..              | 210                  | 210                               |
| Trinidad ... ..                           | Trinidad Cement Ltd ... ..                          | 1,200                |                                   |
|                                           | West Indies Navigation Co Ltd ... ..                | 145                  | 1,345                             |
| <b>Far East</b>                           |                                                     |                      | <b>16,043</b>                     |
| Singapore and Federation of Malaya ... .. | Central Electricity Board ... ..                    | 7,166                |                                   |
|                                           | Federal Land Development Authority ... ..           | 600                  |                                   |
|                                           | Malaya Borneo Building Society Ltd ... ..           | 3,500                |                                   |
|                                           | Kulai Oil Palm Estate ... ..                        | 1,100                |                                   |
|                                           | Malayan Cocoa Ltd ... ..                            | 47                   |                                   |
|                                           | Singapore Factory Development ... ..                | 175                  |                                   |
|                                           | United Cocoa Development Co Ltd ... ..              | 50                   | 12,638                            |
| North Borneo ... ..                       | Borneo Abaca Ltd ... ..                             | 3,405                | 3,405                             |
| <b>East Africa</b>                        |                                                     |                      | <b>15,484</b>                     |
| Kenya ... ..                              | Coastal Hotels Ltd ... ..                           | 125                  |                                   |
|                                           | East Africa Industries Ltd ... ..                   | 500                  |                                   |
|                                           | Kenya Housing Authority ... ..                      | 2,000                |                                   |
|                                           | Kenya Meat Commission ... ..                        | 250                  |                                   |
|                                           | Kenya Power Co Ltd ... ..                           | 3,535                |                                   |
|                                           | Macalder-Nyanza Mines Ltd ... ..                    | 2,380                |                                   |
|                                           | Unga Ltd ... ..                                     | 850                  | 9,640                             |
| Tanganyika ... ..                         | *Liganga Iron Ltd ... ..                            | 30                   |                                   |
|                                           | *Mbeya Exploration Co Ltd... ..                     | 330                  |                                   |
|                                           | *Rungwe Coal Co ... ..                              | 20                   |                                   |
|                                           | *Tanganyika Coalfields Ltd ... ..                   | 450                  |                                   |
|                                           | Tanganyika Wattle Estates ... ..                    | 1,270                |                                   |
|                                           | Tangold Mining Co Ltd ... ..                        | 1,000                |                                   |
|                                           | Williamson Diamonds Ltd ... ..                      | 500                  | 3,600                             |
| Uganda ... ..                             | Kilembe Mines Ltd ... ..                            | 2,244                | 2,244                             |
| <b>Central Africa</b>                     |                                                     |                      | <b>22,002</b>                     |
| Central Africa Federation                 | Central African Airways Corporation ... ..          | 1,750                |                                   |
|                                           | Federal Power Board (Kariba) ... ..                 | 15,000               | 16,750                            |
| Northern Rhodesia ... ..                  | Chilanga Cement Ltd ... ..                          | 1,500                | 1,500                             |
| Nyasaland ... ..                          | Kasungu Tobacco Estates ... ..                      | 193                  |                                   |
|                                           | Nyasaland African Housing ... ..                    | 1,000                |                                   |
|                                           | Vipya Tung Estates ... ..                           | 1,559                | 2,752                             |
| Southern Rhodesia ... ..                  | Southern Rhodesia African Housing ... ..            | 1,000                | 1,000                             |
| <b>High Commission Territories</b>        |                                                     |                      | <b>9,881</b>                      |
| Basutoland ... ..                         | High Commission Printing & Publishing Co Ltd ... .. | 10                   | 10                                |
| Bechuanaland ... ..                       | *Ox Bow Lake Power and Water ... ..                 | 1                    | 1                                 |
|                                           | Bechuanaland Cattle Ranch ... ..                    | 1,229                | 3,007                             |
|                                           | Bushman Pits Ranch ... ..                           |                      |                                   |
|                                           | Lobatsi Abattoir ... ..                             | 1,032                |                                   |
|                                           | Molopo Ranch ... ..                                 | 746                  |                                   |
|                                           | Molopo Settlement Scheme... ..                      |                      |                                   |
| Swaziland ... ..                          | Swaziland Cannery (Pty) Ltd ... ..                  | 85                   |                                   |
|                                           | Swaziland Irrigation Scheme ... ..                  | 3,388                |                                   |
|                                           | Ubombo Ranches (Pty) Ltd ... ..                     | 85                   |                                   |
|                                           | Usutu Forests ... ..                                | 3,175                | 6,733                             |
| Tristan da Cunha ... ..                   | Tristan da Cunha Development Co Ltd ... ..          | 130                  | 130                               |
| <b>West Africa</b>                        |                                                     |                      | <b>3,149</b>                      |
| Ghana ... ..                              | Coast Construction Co Ltd ... ..                    | 350                  | 350                               |
| Nigeria ... ..                            | Amalgamated Engineering Co Ltd ... ..               | 50                   |                                   |
|                                           | Coast Construction (Nigeria) Ltd ... ..             | 295                  |                                   |
|                                           | Coast Engineering Ltd ... ..                        |                      |                                   |
|                                           | Kaduna Housing ... ..                               | 10                   |                                   |
|                                           | Lagos Executive Development Board ... ..            | 1,250                |                                   |
|                                           | Nigeria Housing Development Society Ltd ... ..      | 1,000                |                                   |
|                                           | Omo Sawmills of Nigeria Ltd ... ..                  | 194                  | 2,799                             |
|                                           | <b>Total</b> ... ..                                 |                      | <b>74,201</b>                     |

\* Investigations.

#### 4 New capital approved and deployed

(1) Capital approved for new jobs and for further stages of existing ones was £20m; gross new expenditures were £9m and would have been more but for delay in getting 1956 enabling Act through (see § 12).

(2) This table shows comparison with previous years; figures in last column cannot tally with accounts which give net figures after realisations and eliminations for abandoned jobs.

|         |     |     |     | Approved £m | Spent £m (gross) |
|---------|-----|-----|-----|-------------|------------------|
| 1948-49 | ... | ... | ... | 13·0        | 2·5              |
| 1950    | ... | ... | ... | 17·0        | 7·5              |
| 1951    | ... | ... | ... | 7·0         | 10·5             |
| 1952    | ... | ... | ... | 7·0         | 8·0              |
| 1953    | ... | ... | ... | 6·0         | 7·0              |
| 1954    | ... | ... | ... | 6·0         | 4·5              |
| 1955    | ... | ... | ... | 9·0         | 8·0              |
| 1956    | ... | ... | ... | 20·0        | 9·0              |

#### 5 Capital distribution of continuing projects

(1) Here is functional classification of capital approved and deployed:

| (1)<br>Category              | (2)<br>Number |      | (3)<br>Capital approved at 31.12 |       |        |       | (4)<br>Capital deployed at 31.12 |       |        |       |
|------------------------------|---------------|------|----------------------------------|-------|--------|-------|----------------------------------|-------|--------|-------|
|                              |               |      | 1955                             |       | 1956   |       | 1955                             |       | 1956   |       |
|                              | 1955          | 1956 | £000's                           | %     | £000's | %     | £000's                           | %     | £000's | %     |
| Agriculture ...              | 12            | 13   | 11,394                           | 20·8  | 12,039 | 16·3  | 7,572                            | 20·0  | 8,567  | 18·6  |
| Animal Products              | 6             | 6    | 3,257                            | 5·9   | 3,257  | 4·4   | 2,048                            | 5·4   | 2,045  | 4·5   |
| Factories ...                | 6             | 8    | 3,413                            | 6·2   | 4,333  | 5·9   | 2,609                            | 6·9   | 3,296  | 7·0   |
| Fisheries ...                | 1             | 1    | 130                              | 0·2   | 130    | 0·2   | 130                              | 0·3   | 130    | 0·3   |
| Forestry ...                 | 5             | 4    | 6,721                            | 12·3  | 6,701  | 9·2   | 4,549                            | 12·0  | 5,114  | 11·2  |
| Hotels ...                   | 1             | 2    | 286                              | 0·5   | 411    | 0·6   | 264                              | 0·7   | 260    | 0·5   |
| Minerals ...                 | 10            | 9    | 6,355                            | 11·6  | 7,716  | 10·4  | 4,891                            | 13·0  | 5,776  | 12·7  |
| Property and Housing ...     | 7             | 8    | 7,985                            | 14·6  | 9,935  | 13·1  | 4,139                            | 10·9  | 5,516  | 12·5  |
| Power ...                    | 7             | 9    | 12,001                           | 21·9  | 27,079 | 36·3  | 9,954                            | 26·3  | 12,645 | 27·5  |
| Transport and Communications | 8             | 6    | 3,311                            | 6·0   | 2,600  | 3·6   | 1,688                            | 4·5   | 2,404  | 5·2   |
| Total ...                    | 63            | 66   | 54,853                           | 100·0 | 74,201 | 100·0 | 37,844                           | 100·0 | 45,753 | 100·0 |

(2) Basic development (power, housing, transport and communications) gained 10·5% capital approved, and 3·5% capital deployed, largely by Kariba.



(3) Total capital for such work is disclosed immediately; figures may suggest that allocation is disproportionate; but big plantation jobs such as Usutu Forests and Swaziland Irrigation are not yet ready for the further large outlays which will be required for processing plant for products; others await basic services, eg a railway for Tanganyika coal.

## 6 Projects as revenue earners

(1) Table below separates projects to show:

- (a) those directly managed and subsidiary companies;
- (b) investments and commercial loans;
- (c) government or government guaranteed and safe public utility loans.

|                | (a) Direct projects and subsidiary companies (consolidated)                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | Investigations and development<br>(1)                                                                                                                                                                                                | Revenue-earning<br>(2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                | Br Honduras Fruit Co Ltd (citrus)<br>Molopo Settlement Scheme<br>Nigeria Housing Development Society<br>Swaziland Irrigation Scheme (canal)<br>Tanganyika Wattle Estates<br>Usutu Forests (including Orchards)<br>Vipya Tung Estates | Bechuanaland Cattle Ranch<br>Borneo Abaca Ltd<br>British Guiana Timbers Ltd<br>Bushman Pits Ranch<br>Dominica Electricity Services<br>Fort George Hotel<br>Jamaica Cooling Store<br>Kasungu Tobacco Estates<br>Kulai Oil Palm Estate<br>Lobatsi Abattoir<br>Macalder-Nyanza Mines Ltd<br>Malaya Borneo Building Society Ltd<br>Melville Hall Estate<br>Molopo Ranch<br>Omo Sawmills of Nigeria Ltd<br>Singapore Factory Development<br>St Vincent Electricity Services<br>Swaziland Irrigation Scheme (rice, general farming) |
| Capital ... .. | £<br>4,800,000                                                                                                                                                                                                                       | £<br>14,800,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Revenue ... .. | nil                                                                                                                                                                                                                                  | 350,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

Capital — nearest £100,000

(2) As to (a) and (b), jobs and investigations in early stages of development and not yet earning anything are shown separately from those which might be expected to earn something.

(3) Figures in col 2 show that CDC-controlled jobs are in much better shape than before.

## 7 "Finance-house" business

(1) Investments in col 5 which have been called "finance-house" activities and which some suggest bulk too large, are not an excessive part of the whole.

| (b) Investments and commercial loans                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (c) Loans                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investigations and development<br>(3)                                                                                                                                                                                                                                                                                        | Revenue-earning<br>(4)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (5)                                                                                                                                                                                                                                                                                                                                                      |
| Coastal Hotels Ltd<br>Federal Land Development Authority<br>Kaduna Housing<br>*Liganga Iron Ltd<br>Malayan Cocoa Ltd<br>*Mbeya Exploration Co Ltd<br>*Ox Bow Lake Power & Water<br>Potaro Hydro-electric Co Ltd<br>*Rungwe Coal Co<br>*Tanganyika Coalfields Ltd<br>Tangold Mining Co Ltd<br>United Cocoa Development Co Ltd | Amalgamated Engineering Co Ltd<br>Barbados Light & Power Co Ltd<br>Br Guiana Consolidated Goldfields Ltd<br>Chilanga Cement Ltd<br>Coast Construction Co Ltd (Ghana)<br>Coast Construction (Nigeria) Ltd.<br>East Africa Industries Ltd<br>HC Printing & Publishing Co Ltd<br>Kilembe Mines Ltd<br>Jamaica Citrus Growers Ltd<br>Jamaica Public Service Co Ltd<br>Swaziland Cannery (Pty) Ltd<br>Trinidad Cement Ltd<br>Tristan da Cunha Development Co Ltd<br>Ubombo Ranches (Pty) Ltd<br>Unga Ltd<br>West Indies Navigation Co Ltd<br>Williamson Diamonds Ltd | Br Guiana Rice Development Co Ltd<br>Cayman Islands Airport<br>Central African Airways Corporation<br>Central Electricity Board, Malaya<br>Federal Power Board (Kariba)<br>Kenya Housing Authority<br>Kenya Meat Commission<br>Kenya Power Co Ltd<br>Lagos Executive Development Board<br>Nyasaland African Housing<br>Southern Rhodesia African Housing |
| £<br>1,200,000<br>20,000                                                                                                                                                                                                                                                                                                     | £<br>7,400,000<br>210,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | £<br>17,500,000<br>740,000                                                                                                                                                                                                                                                                                                                               |

Revenue — nearest £10,000

\* Investigations

(2) In present state of London capital market these outlays are the only practical way to stimulate urgently needed basic development such as power, communications and housing, in many places a pre-requisite to more direct development.

(3) CDC does not give "finance-house" business any special priority; and—let this be clear—all such investments must be of high development value *per se*.

(4) CDC can only carry the more risky jobs, particularly in agriculture, if it can at least cover its overheads from such safe investments.

## 8 New business

(1) In 1956, 52 new schemes—recognisable as schemes—were submitted to CDC—apart from ideas; after investigation and negotiation eight new projects were approved. At 31.12.56, 36 were under investigation.

(2) Schemes may be suggested by private interests or by colonial governments or by CDC itself; majority are put to Regional Controllers but some come to head office particularly when UK companies are concerned.

(3) Each new scheme submitted is scrutinised to see if a *prima facie* case for CDC support can be established; if so normal procedures of examination and investigation follow.

(4) Tests applied are:

(a) eligibility in terms of 1956 Act;

(b) good development endorsed by territorial government;

(c) viability both as to scheme as a whole and CDC participation;

(d) availability of expert management when appropriate, with substantial financial stake;

(e) association with local interests.

(5) Examination and investigation (technical and financial) may be carried out by CDC staff or by experts hired for the job; CDC support for a full scale job may be conditional on a small scale pilot scheme being first mounted.

(6) Such procedures take time and cost money; but they result in sound decisions and minimise failures which hurt the territories as well as CDC.

## 9 Outstanding issues

1955 report showed three major outstanding issues between CDC and Authority; Corporation powers, Special Losses Account, interest rates; it is a matter of regret that none is yet settled except powers as to housing and West African roads, and that others have arisen.

## 10 Special Losses

(1) "Special Losses" are losses on pre-1951 commitments abandoned wholly or in part; assessed last year at £8,020,441 (1955 § 7).

(2) Secretary of State has power to waive interest on capital lost on abandoned undertakings, and has exercised it in relation to about £5.7m of Special Losses.

(3) But, even if fully used, interest waiver does not relieve CDC of its obligation to repay the Special Losses capital and in circumstances described in (4) CDC's statutory duty to pay its way will be almost impossible.



(4) The load cannot be borne by other jobs which probably cannot do much more than service their own capital—particularly if CDC is prevented from taking on projects offering large capital gain, now disallowed by Authority on “alternative sources” criterion (see § 13).

## 11 Colonial Office interest

### (1) Rates

(a) 1955 report § 8(1) gave four increases in borrowing rates that year; here are the rates since:

| Rates at |     |     | Short-term        | Medium-term       | Long-term         |
|----------|-----|-----|-------------------|-------------------|-------------------|
| 17.1.56  | ... | ... | 4%                | 5%                | 4 $\frac{3}{4}$ % |
| 1.4.56   | ... | ... | 5 $\frac{1}{4}$ % | 5 $\frac{1}{4}$ % | 5%                |
| 15.8.56  | ... | ... | 5%                | 5 $\frac{1}{2}$ % | 5 $\frac{1}{4}$ % |
| 16.2.57  | ... | ... | 4 $\frac{1}{4}$ % | 5%                | 5%                |

(b) borrowing rates at this level mean that new jobs must show equivalently high returns and CDC is faced with completing existing jobs with money costing sometimes almost double what they were budgeted on;

(c) high interest rates are no doubt required to control home economy; but this policy slows down colonial development that is necessary or desirable.

### (2) Charges

(a) In March 1956 CDC was presented with a new schedule of annuities payable which revoked the previously agreed interest-free period from drawing date to next March 31—on basis of which CDC had ordered its affairs since 1951;

(b) CDC has accepted that revised calculation is required by Act, but it will cost CDC about £957,000 additional interest over the loan period on £50m drawn to date; and there will be extra interest on future drawings; all this is unwelcome.

## 12 CDC powers and “amending legislation”

(1) The legislation (Overseas Resources Development Act, 1956) that was to validate, retrospectively and prospectively, certain kinds of activity held to be *ultra vires* became law on 2.8.56.

(2) There had of course been loss of immediate revenue, and embarrassment and irritation to borrowers whose schemes had been suspended.

(3) It was long and complicated; it removed some doubts—notably as to validity of past activities; but it was soon evident that new ones had been created.

(4) Section 2, intended to clarify CDC power to operate in Southern Rhodesia, says Secretary of State must not authorise a project unless satisfied that it is “needed for or in connection with the promotion, in part of the Federation outside Southern Rhodesia, of new enterprises to which the said Section 1 applies, or for or in connection with the expansion in such part of the Federation of existing enterprises . . . . .”. CDC urged such word as “advantageous or convenient” instead of “needed”.

(5) Section 2 was construed as affording the Secretary of State no discretion to authorise CDC to participate in a Southern Rhodesian undertaking, originally on ground that, despite evidence of value to the Northern Territories, ‘need’ had not been proved.

### 13 Alternative finance

- (1) This project led to another difference with Colonial Office which finally advanced the further argument that CDC participation should be disallowed on ground that alternative finance was available.
- (2) If this argument as to alternative finance were to apply generally in future and if CDC had to produce evidence that alternative finance were NOT available, then association with credit-worthy borrowers would never be possible.
- (3) They would obviously refuse to allow CDC or Government to 'test the market'; and be equally unwilling to provide any certificate likely to damage their credit.

### 14 Borrowing limit

- (1) 1948 Act limited CDC long-term borrowing to £100m outstanding.
- (2) At 31.12.56 total capital approved was £85m; further capital required to bring existing projects to fruition may be as much as £15m.
- (3) Present limit is thus in sight; Colonial Office was warned in May; any further supply of funds seems now to be involved in the promised review of Commonwealth development.
- (4) Approximate capital requirements of new schemes currently under examination amount to £38m.
- (5) Unless CDC is to refuse new and pressing business more credit is now urgent.

### 15 Emergent territories

- (1) 1948 Act empowered CDC to operate in territories defined therein; and this can continue even if they emerge into independence.
- (2) In August 1956 CDC was informed that Government "had in mind" that no new projects should be started after a colony became independent.
- (3) At end November CDC was told that certain new schemes under examination for Gold Coast and Malaya were to be arbitrarily excluded, no new proposal was to be submitted—eight months ahead for Malaya.
- (4) Although this prohibition was informal CDC regarded it as binding, morally if not legally.
- (5) To CDC dismay, Ghana Independence Bill—precedent for all new emerging territories—included clause 3 (4):

"Without prejudice to the continuance of any operations commenced by the Colonial Development Corporation in any part of Ghana before the appointed day, as from that day the expression 'colonial territories' in Overseas Resources Development Acts 1948 to 1956, shall not include Ghana or any part thereof."

- (6) Disappointment and protest reported from Ghana and Malaya at prospect of losing CDC help.
- (7) Wisdom of including clause 3 (4) was hotly challenged in both Houses of Parliament on ground that it appeared to deprive Ghana of all prospect of UK Government funds for development; Government maintained that agencies other than CDC were available and that a decision as to appropriate methods would be taken in light of review of Commonwealth development already in hand.
- (8) Government was still urged to drop the clause as infelicitous, and rely on informal agreement with CDC pending outcome of promised review; but Government insisted on retaining the clause.

## 16 Chosen instrument

It is surely commonsense that the now established, efficient and profitable CDC should be permitted to invest in emergent and emerged territories; CDC has been assured on behalf of both Ghana and Malaya Governments that it would be a great pity if emerging members of Commonwealth were, at a critical stage, to be deprived of help of the experienced CDC personnel; of course “ Colonial ” would have to come out of CDC title.

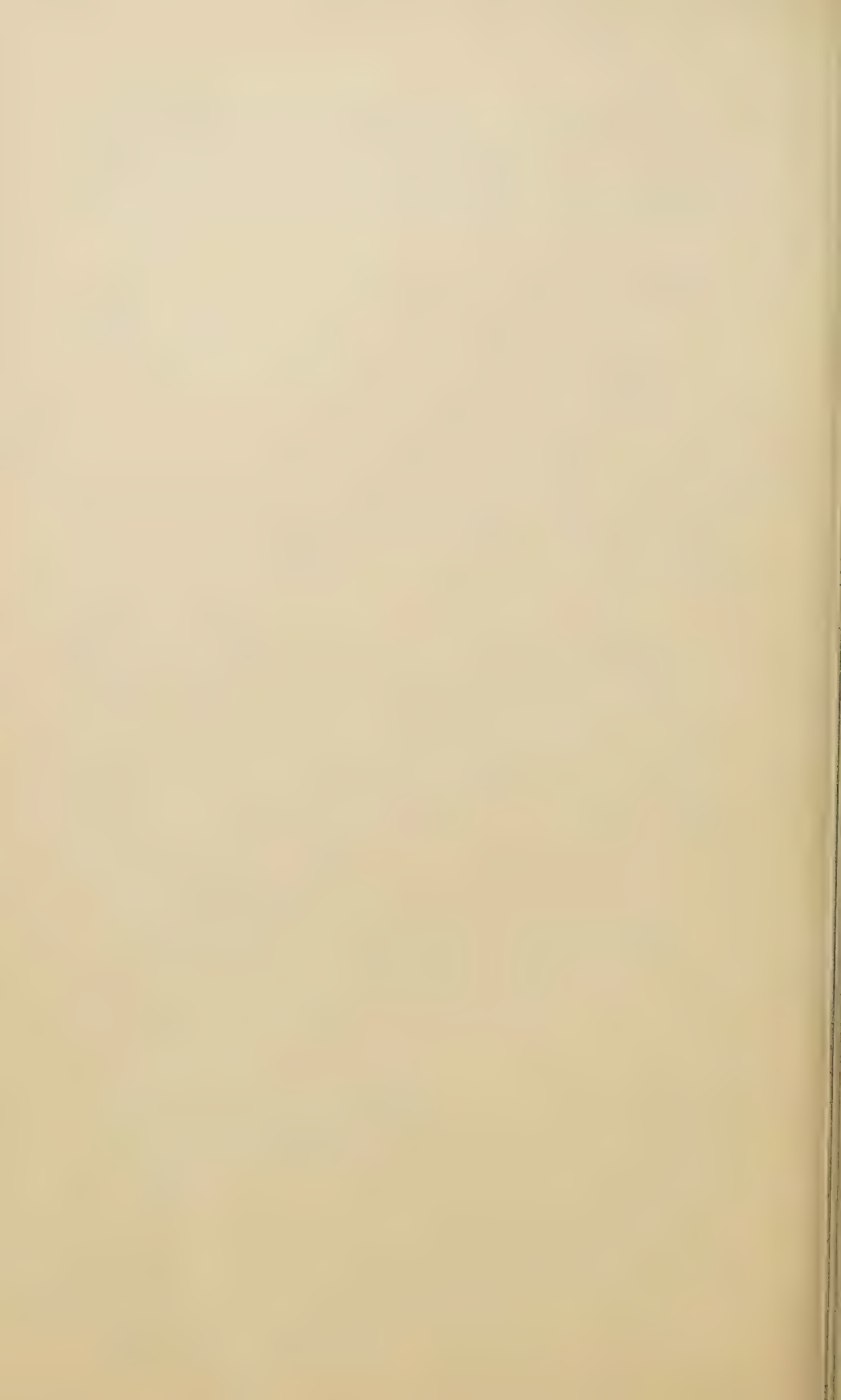
## 17 Acknowledgements

(1) CDC is grateful for continued co-operation of:

- (a) all associates—private enterprise partners and managers, members of subsidiary and associated company boards;
- (b) scientific panel, individual experts and advisers;
- (c) Governors and overseas governments;
- (d) auditors—London and overseas.

(2) Executive organisation at head office, with maximum possible devolution to regional organisation, continues to work to the satisfaction and pride of the directors, under their general manager Mr William Rendell, and to his high credit.





## II FINANCIAL REPORT

### 18 Accounts for 1956

Accounts and supporting statements for year to 31.12.56 are:

- statement 1 Balance Sheet
- 2 Consolidated Balance Sheet
- 3 Notes forming part of the Accounts
- 4 Consolidated Profit and Loss Account
- 5 Details of projects supporting Consolidated Profit and Loss Account
- 6 Details of assets and liabilities of projects
- 7 Investments at cost less amounts written off.

### 19 Balance Sheet and Consolidated Balance Sheet

- (1) Surplus assets £53,741 (£263,218 in 1955) include assets of abandoned projects, disposal of which has almost been completed.
- (2) Special Losses Account is dealt with in § 10.
- (3) Increased provision against book value of expenditure on continuing projects and of investments £595,000 (£435,000 in 1955) covers losses by West Indies Navigation Co Ltd (§ 37), Tristan da Cunha Development Co Ltd (§ 84) and Swaziland Cannery (Pty) Ltd (§ 80).
- (4) Debit balance on Profit and Loss Account is reduced to £1,382,099 after transfer of net profit £572,809.

### 20 Consolidated Profit and Loss Account

- (1) Net profits from direct projects and subsidiary companies were £371,718 (£113,168 in 1955).
- (2) Net revenue before administrative expenditure etc, was £1,498,969 (£1,058,158 in 1955).
- (3) Operating results are analysed in § 6.
- (4) Investigation expenditure written off includes £26,091 for Nyika Forestry Investigation (§ 69).
- (5) Administrative expenditure, before allocations to projects etc, was: head office £209,920 (1955 £193,414); regional offices £145,564 (1955 £145,363); end year staff at head office 165 (1955 171) and at regional offices 93 (1955 90).

## BALANCE SHEET

| 31.12.55    |                                                                |                  |             |
|-------------|----------------------------------------------------------------|------------------|-------------|
| £           |                                                                | £                | £           |
| 37,548,500  | CAPITAL LIABILITY TO COLONIAL OFFICE                           |                  |             |
| 9,695,950   | Long-term advances ... ..                                      | 40,153,046       |             |
| 250,000     | Medium-term advances ... ..                                    | 11,143,950       |             |
|             | Short-term advances ... ..                                     | 450,000          |             |
| 47,494,450  |                                                                |                  | 51,746,996  |
|             | CURRENT LIABILITIES                                            |                  |             |
| 56,584      | Amounts owing to subsidiary companies ... ..                   | 1,849            |             |
| 694,255     | Creditors and accrued charges ... ..                           | 943,356          |             |
| 325,000     | Bank loan and overdrafts ... ..                                | 426,911          |             |
|             |                                                                |                  | 1,372,116   |
|             | PROVISIONS                                                     |                  |             |
| 998,901     | Continuing projects including subsidiaries ... ..              |                  | 1,100,871   |
|             | Relevant notes in statement 3 form part of this Balance Sheet. |                  |             |
|             | (Sgd.) J. C. W. REITH                                          |                  |             |
|             | G. TYSER                                                       | Members.         |             |
|             | W. RENDELL                                                     | General Manager. |             |
| £49,569,190 |                                                                |                  | £54,219,983 |

## Report to the Colonial Development Corporation by the Auditors appointed under Section 16 (3)

We have audited the above Balance Sheet and have obtained all the information and explanations from our examination, proper books of account have been kept by the Corporation and adequate

In our opinion and to the best of our information and according to the explanations given to applicable thereto a true and fair view of the state of the Corporation's affairs as at 31st December,

We have examined the annexed Consolidated Balance Sheet (Statement 2) and the Consolidated subsidiary companies, certain of which have not been audited by us. In our opinion such Balance properly prepared so as to give a true and fair view of the state of affairs as at 31st December, 1956, companies so far as concerns the Corporation.

11 Ironmonger Lane, London, E.C.2.

21st March, 1957.



# STATEMENT 1

AT 31.12.56

| 31.12.55    |                                                                                                                 | Cost<br>less sales | Depreciation<br>and amounts<br>written off | £           |
|-------------|-----------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|-------------|
| £           |                                                                                                                 | £                  | £                                          | £           |
|             | <b>FIXED ASSETS</b>                                                                                             |                    |                                            |             |
|             | Freehold and leasehold land, planta-<br>tions, concessions, buildings and<br>constructions... ..                | 5,366,686          | 789,776                                    | 4,576,910   |
| 3,784,247   | Plant and machinery ... ..                                                                                      | 1,066,281          | 251,024                                    | 815,257     |
| 704,483     | Land clearance equipment, tractors<br>and agricultural equipment ... ..                                         | 232,185            | 178,563                                    | 53,622      |
| 49,598      | Motor vehicles and rolling stock ... ..                                                                         | 182,635            | 116,367                                    | 66,268      |
| 49,218      | Furniture, fixtures, office and hotel<br>equipment ... ..                                                       | 184,054            | 107,072                                    | 76,982      |
| 84,846      |                                                                                                                 |                    |                                            |             |
| 4,672,392   |                                                                                                                 | 7,031,841          | 1,442,802                                  | 5,589,039   |
| 70,405      | PROGRESS PAYMENTS ON FIXED ASSETS... ..                                                                         |                    |                                            | 179,663     |
| 256,939     | SURPLUS ASSETS awaiting disposal at estimated<br>realisable values ... ..                                       |                    |                                            | 31,511      |
| 1,171,576   | FORESTRY CROPS AT COST ... ..                                                                                   |                    |                                            | 1,440,545   |
|             | EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE<br>EXPENDITURE CARRIED FORWARD AT COST LESS<br>AMOUNTS WRITTEN OFF |                    |                                            |             |
| 139,989     | Land clearance ... ..                                                                                           |                    | 208,237                                    |             |
| 470,540     | Mining investigations and development ... ..                                                                    |                    | 503,531                                    |             |
| 613,010     | General development, surveys and revenue expen-<br>diture carried forward ... ..                                |                    | 555,592                                    |             |
| 20,000      | Investigation syndicate ... ..                                                                                  |                    | —                                          |             |
|             |                                                                                                                 |                    |                                            | 1,267,360   |
|             | INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF                                                                    |                    |                                            |             |
| 1,802,405   | Quoted (market value £3,020,674—1955 £1,588,420)                                                                |                    | 3,587,405                                  |             |
| 16,770,770  | Unquoted ... ..                                                                                                 |                    | 21,422,199                                 |             |
|             |                                                                                                                 |                    |                                            | 25,009,604  |
|             | SUBSIDIARY COMPANIES                                                                                            |                    |                                            |             |
| 4,803,330   | Investments at cost less amounts written off ... ..                                                             |                    | 5,375,684                                  |             |
| 4,576,446   | Advances less amounts written off ... ..                                                                        |                    | 4,280,829                                  |             |
|             |                                                                                                                 |                    |                                            | 9,656,513   |
| 35,367,802  |                                                                                                                 |                    |                                            | 43,174,235  |
|             | <b>CURRENT ASSETS</b>                                                                                           |                    |                                            |             |
| 658,533     | Stocks, stores and livestock at cost or market value<br>whichever is lower or at valuation ... ..               |                    | 675,892                                    |             |
| 87,778      | Growing crops at cost or valuation ... ..                                                                       |                    | 81,948                                     |             |
| 3,380       | Work in progress at valuation ... ..                                                                            |                    | —                                          |             |
| 472,236     | Debtors and prepayments less provisions ... ..                                                                  |                    | 410,184                                    |             |
| 648,366     | Treasury bills ... ..                                                                                           |                    | —                                          |             |
| 2,355,746   | Cash at banks and in hand ... ..                                                                                |                    | 475,184                                    |             |
|             |                                                                                                                 |                    |                                            | 1,643,208   |
|             | <b>PROFIT AND LOSS ACCOUNT</b>                                                                                  |                    |                                            |             |
| 1,954,908   | Balance per statement 4 ... ..                                                                                  |                    |                                            | 1,382,099   |
|             | <b>SPECIAL LOSSES ACCOUNT</b>                                                                                   |                    |                                            |             |
| 8,020,441   | Amounts transferred from Profit and Loss Account—as at 31.12.55                                                 |                    |                                            | 8,020,441   |
| £49,569,190 |                                                                                                                 |                    |                                            | £54,219,983 |

of the Overseas Resources Development Act, 1948, by the Secretary of State for the Colonies which to the best of our knowledge and belief were necessary for that purpose. So far as appears returns have been received from overseas offices.

us, the said Balance Sheet, which is in agreement with the books, gives with the notes on Statement 3 1956.

Profit and Loss Account (Statement 4) with the audited accounts of the Corporation and its Sheet and Profit and Loss Account with the notes on Statement 3 applicable thereto have been and of the profit for the year ended on that date of the Corporation and also of the subsidiary

(Signed) PEAT, MARWICK, MITCHELL & Co.  
Chartered Accountants  
Auditors

# CONSOLIDATED BALANCE SHEET OF CORPORATION

| 31.12.55    |                                                                                                                                                             |           |             |
|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------|
| £           |                                                                                                                                                             | £         | £           |
| 47,494,450  | CAPITAL LIABILITY<br>Advances from Colonial Office ... ..                                                                                                   |           | 51,746,996  |
| 541,740     | INTEREST OF MINORITY SHAREHOLDERS IN SUBSIDIARY<br>COMPANIES OVERSEAS ... ..                                                                                |           | 970,128     |
| 10,460      | CAPITAL RESERVE—net excess of tangible assets at date<br>of acquisition over cost of investments in subsidiary<br>companies less amounts written off ... .. |           | 13,150      |
| 1,089,562   | CURRENT LIABILITIES<br>Creditors and accrued charges ... ..                                                                                                 | 1,952,170 |             |
| 358,519     | Bank loan and overdrafts—unsecured ... ..                                                                                                                   | 464,289   |             |
| 1,124,158   | Bank loan—secured ... ..                                                                                                                                    | 2,430,057 | 4,846,516   |
|             | PROVISIONS—                                                                                                                                                 |           |             |
|             | Book value of expenditure on continuing projects<br>and of investments ... ..                                                                               | 595,000   |             |
| 566,464     | Replanting—rubber plantations ... ..                                                                                                                        | 154,833   | 749,833     |
|             | Relevant notes in statement 3 form part of this Balance Sheet.                                                                                              |           |             |
| £51,185,353 |                                                                                                                                                             |           | £58,326,623 |

## STATEMENT 2

## AND SUBSIDIARY COMPANIES AT 31.12.56

| 31.12.55    |                                                                                                             | Cost, net book value at date of acquisition of shares or valuation, less sales | Depreciation and amounts written off |             |
|-------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------|-------------|
| £           |                                                                                                             | £                                                                              | £                                    | £           |
|             | <b>FIXED ASSETS</b>                                                                                         |                                                                                |                                      |             |
|             | Freehold and leasehold land, plantations, concessions, buildings and constructions... ..                    | 8,341,226                                                                      | 1,184,548                            | 7,156,678   |
| 6,117,954   | Plant and machinery ... ..                                                                                  | 2,481,328                                                                      | 520,212                              | 1,961,116   |
| 1,659,160   | Ships and vessels ... ..                                                                                    | 262,377                                                                        | 76,282                               | 186,095     |
| 204,987     | Land clearance equipment, tractors and agricultural equipment... ..                                         | 421,273                                                                        | 294,666                              | 126,607     |
| 129,442     | Motor vehicles and rolling stock ... ..                                                                     | 482,975                                                                        | 246,178                              | 236,797     |
| 247,918     | Furniture, fixtures, office and hotel equipment ... ..                                                      | 295,797                                                                        | 163,694                              | 132,103     |
| 137,762     |                                                                                                             |                                                                                |                                      |             |
| 8,497,223   |                                                                                                             | 12,284,976                                                                     | 2,485,580                            | 9,799,396   |
| 70,405      | PROGRESS PAYMENTS ON FIXED ASSETS ... ..                                                                    |                                                                                |                                      | 179,663     |
| 263,218     | SURPLUS ASSETS awaiting disposal at estimated realisable values ... ..                                      |                                                                                |                                      | 53,741      |
| 1,171,576   | FORESTRY CROPS AT COST ... ..                                                                               |                                                                                |                                      | 1,440,545   |
|             | EXPENDITURE ON DEVELOPMENT INCLUDING REVENUE EXPENDITURE CARRIED FORWARD AT COST LESS AMOUNTS WRITTEN OFF   |                                                                                |                                      |             |
| 139,989     | Land clearance ... ..                                                                                       |                                                                                | 208,237                              |             |
| 1,341,635   | Mining investigations and development ... ..                                                                |                                                                                | 1,473,805                            |             |
| 712,936     | General development, surveys and revenue expenditure carried forward ... ..                                 |                                                                                | 646,232                              |             |
| 20,000      | Investigation syndicate ... ..                                                                              |                                                                                | —                                    |             |
| 2,214,560   |                                                                                                             |                                                                                |                                      | 2,328,274   |
| 130,000     | SHARES AT COST IN AND ADVANCES TO A SUBSIDIARY COMPANY NOT CONSOLIDATED ... ..                              |                                                                                |                                      | 130,161     |
| 23,596,095  | INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF (statement 7) ... ..                                           |                                                                                |                                      | 32,157,855  |
| 35,943,077  |                                                                                                             |                                                                                |                                      | 46,089,635  |
|             | <b>CURRENT ASSETS</b>                                                                                       |                                                                                |                                      |             |
| 1,426,124   | Stocks, stores and livestock at cost or market value whichever is lower or at valuation less advances... .. |                                                                                | 1,647,431                            |             |
| 87,778      | Growing crops at cost or valuation ... ..                                                                   |                                                                                | 81,948                               |             |
| 3,380       | Work in progress at valuation ... ..                                                                        |                                                                                | —                                    |             |
| 629,632     | Debtors and prepayments less provisions ... ..                                                              |                                                                                | 574,725                              |             |
| 648,366     | Treasury Bills ... ..                                                                                       |                                                                                | —                                    |             |
| 2,456,327   | Cash at banks and in hand ... ..                                                                            |                                                                                | 515,024                              |             |
| 5,251,607   |                                                                                                             |                                                                                |                                      | 2,819,128   |
| 15,320      | PRELIMINARY EXPENSES OF SUBSIDIARY COMPANIES                                                                |                                                                                |                                      | 15,320      |
| 1,954,908   | PROFIT AND LOSS ACCOUNT                                                                                     |                                                                                |                                      |             |
|             | Balance per statement 4 ... ..                                                                              |                                                                                |                                      | 1,382,099   |
| 8,020,441   | SPECIAL LOSSES ACCOUNT                                                                                      |                                                                                |                                      |             |
|             | Amounts transferred from Profit and Loss Account—as at 31.12.55                                             |                                                                                |                                      | 8,020,441   |
| £51,185,353 |                                                                                                             |                                                                                |                                      | £58,326,623 |

## NOTES FORMING PART OF THE ACCOUNTS

- (1) Maximum borrowing powers of Corporation are:
  - (a) £100m and
  - (b) £10m temporarily by way of overdraft or otherwise.
- (2) Assets and liabilities in colonial and foreign currencies have been converted at rates ruling at 31.12.56.
- (3) Corporation has contractual commitments for capital expenditure of £590,000 (for group £740,000) and for debentures, loans and partly paid shares of £18m (for group £20m); Corporation is contingently liable in respect of guarantees.
- (4) Total depreciation and amortisation charged by Corporation and its consolidated subsidiaries for year to 31.12.56 was £562,329 (1955 £533,347). In addition provision of £35,000 (1955 £35,000) has been made for replanting rubber plantations.
- (5) "Freehold and leasehold land, plantations, concessions, buildings and constructions" includes expenditure on land, conveyance of which has not yet been completed.
- (6) Accounts of Tristan da Cunha Development Co Ltd made up for eighteen months to 30.6.56 have not been consolidated; provision has been made in Corporation accounts for its share of accumulated losses of Company.
- (7) Under terms of Colonial Office directions long term (40 years) advances are repayable by annuities for 33 years beginning at end of seven years from 31st March following dates of advances. Interest charged in annuities is based on specific rates of interest applied to outstanding advances from date of each advance; the precise method of calculation is under discussion between Corporation and Colonial Office; maximum amount of interest applicable to period to 31.12.56 would be £6,828,742. No provision has been made in Profit and Loss Account for outstanding interest on long term advances at 31.12.56 other than interest portion (£29,677) accrued to 31.12.56 of annuity payments notified by Colonial Office as due on 31.3.57. No account has been taken in above figures of interest to be waived under section 5 of Overseas Resources Development Act, 1954, amount of which has not yet been ascertained.



## STATEMENT 4

## CONSOLIDATED PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.56

| Year to<br>31.12.55 |                                                                                                                                                                                                                                                                                              | £       | £                |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------------|
| £                   | NET PROFITS OF DIRECT PROJECTS AND SUBSIDIARY COMPANIES (per statement 5) ... ..                                                                                                                                                                                                             |         | 371,718          |
| 113,165             | INCOME FROM INVESTMENTS (per statement 5) ... ..                                                                                                                                                                                                                                             |         | 1,093,172        |
| 800,148             | PROFIT ON REALISATION OF INVESTMENTS ... ..                                                                                                                                                                                                                                                  |         | 34,079           |
| 144,845             |                                                                                                                                                                                                                                                                                              |         | 1,498,969        |
| 1,058,158           | PROVISION against abandoned and continuing projects and investments... ..                                                                                                                                                                                                                    | 149,569 |                  |
| 54,788              | INVESTIGATION EXPENDITURE WRITTEN OFF ... ..                                                                                                                                                                                                                                                 | 38,521  |                  |
| 10,688              | ADMINISTRATIVE EXPENDITURE (head office and overseas offices) ... ..                                                                                                                                                                                                                         | 218,912 |                  |
| 188,610             | The above administrative expenditure is stated after making allocations to:                                                                                                                                                                                                                  |         |                  |
|                     | 1955                                                                                                                                                                                                                                                                                         |         |                  |
|                     | £                                                                                                                                                                                                                                                                                            | £       |                  |
|                     | Projects — Revenue Expenditure ... ..                                                                                                                                                                                                                                                        | 80,927  |                  |
|                     | 74,209                                                                                                                                                                                                                                                                                       |         |                  |
|                     | 36,568 Fixed assets and forestry crops                                                                                                                                                                                                                                                       | 23,594  |                  |
|                     | Expenditure and development                                                                                                                                                                                                                                                                  |         |                  |
|                     | 17,763 etc. ... ..                                                                                                                                                                                                                                                                           | 15,999  |                  |
|                     | 21,627 Abandoned projects ... ..                                                                                                                                                                                                                                                             | 16,052  |                  |
|                     | 150,167                                                                                                                                                                                                                                                                                      | 136,572 |                  |
|                     |                                                                                                                                                                                                                                                                                              | £       |                  |
|                     | REMUNERATION OF MEMBERS:                                                                                                                                                                                                                                                                     |         |                  |
| 2,750               | Fees ... ..                                                                                                                                                                                                                                                                                  | 2,500   |                  |
| 3,500               | Salaries ... ..                                                                                                                                                                                                                                                                              | 3,500   |                  |
| 210                 | Insurance premium to secure pension for former member ... ..                                                                                                                                                                                                                                 | 305     | 6,305            |
|                     |                                                                                                                                                                                                                                                                                              |         | 413,307          |
| 797,612             | PROFIT before charging Colonial Income Tax and interest payable to Colonial Office ... ..                                                                                                                                                                                                    |         | 1,085,662        |
| 59,271              | COLONIAL INCOME TAX ... ..                                                                                                                                                                                                                                                                   |         | 97,525           |
| 738,341             | CONSOLIDATED PROFIT OF CORPORATION AND SUBSIDIARIES, subject to interest payable to Colonial Office                                                                                                                                                                                          |         | 988,137          |
| (Dr.) 22,352        | Add: Losses less profits attributable to interest of minority shareholders ... ..                                                                                                                                                                                                            |         | 845              |
| 715,989             |                                                                                                                                                                                                                                                                                              |         | 988,982          |
|                     | Deduct: Interest payable to Colonial Office                                                                                                                                                                                                                                                  |         |                  |
| 305,986             | (a) on short and medium term loans ... ..                                                                                                                                                                                                                                                    | 386,237 |                  |
| 770                 | (b) on long term loans (see Note 7) ... ..                                                                                                                                                                                                                                                   | 29,936  |                  |
|                     |                                                                                                                                                                                                                                                                                              |         | 416,173          |
| £409,233            | CONSOLIDATED PROFIT ATTRIBUTABLE TO CORPORATION (being also PROFIT OF CORPORATION FOR YEAR after writing back provisions previously made in respect of subsidiaries to the extent of its share of profits less losses of subsidiaries for the year carried forward in their accounts) ... .. |         | £572,809         |
| £                   |                                                                                                                                                                                                                                                                                              |         | £                |
| (Dr.) 3,924,559     | BALANCE ON PROFIT AND LOSS ACCOUNT AT 1.1.56 ... ..                                                                                                                                                                                                                                          |         | (Dr.) 1,954,908  |
|                     | Add: Adjustment in respect of undistributed profits of Chilanga Cement Ltd. on its ceasing to be a subsidiary ... ..                                                                                                                                                                         |         | —                |
| 190,555             |                                                                                                                                                                                                                                                                                              |         |                  |
| (Dr.) 4,115,114     |                                                                                                                                                                                                                                                                                              |         |                  |
|                     | Deduct: PROFIT AS ABOVE—under Section 14 Overseas Resources Development Act, 1948 appropriated by Corporation to Reserve Account and applied to reduce the amount of losses carried forward ... ..                                                                                           |         | 572,809          |
| 409,233             |                                                                                                                                                                                                                                                                                              |         |                  |
| (Dr.) 3,705,881     | Amount transferred to Special Losses Account ... ..                                                                                                                                                                                                                                          |         | —                |
| 1,750,973           |                                                                                                                                                                                                                                                                                              |         |                  |
| (Dr.) £1,954,908    | BALANCE CARRIED TO BALANCE SHEETS (statements 1 and 2) ... ..                                                                                                                                                                                                                                |         | (Dr.) £1,382,099 |

Notes (4) and (7) on statement 3 form part of this Profit and Loss Account.

## STATEMENT 5

# DETAILS OF PROJECTS SUPPORTING CONSOLIDATED PROFIT AND LOSS ACCOUNT—YEAR TO 31.12.56

| 1955       |                        |                                                   | Net trading |                        |
|------------|------------------------|---------------------------------------------------|-------------|------------------------|
| Loss       | Profit                 |                                                   | Loss        | Profit                 |
| £          | £                      |                                                   | £           | £                      |
| 37,730     | —                      | DIRECT PROJECTS AND SUBSIDIARY COMPANIES          | —           | 33,629                 |
| —          | —                      | British Guiana Timbers Ltd* ... ..                | —           | —                      |
| —          | 3,512                  | British Honduras Fruit Co Ltd (citrus) ... ..     | 8           | —                      |
| 1,531      | —                      | Fort George Hotel ... ..                          | —           | 3,871                  |
| —          | 9,234                  | Dominica Electricity Services ... ..              | 3,569       | —                      |
| —          | 3,997                  | Melville Hall Estate ... ..                       | —           | 15,404                 |
| —          | 11,576                 | Jamaica Cooling Store ... ..                      | —           | 6,101                  |
| —          | 150,157                | St Vincent Electricity Services ... ..            | —           | 14,056                 |
| —          | 7,315                  | Malaya Borneo Building Society Ltd ... ..         | —           | 192,867                |
| —          | 5,419                  | Kulai Oil Palm Estate ... ..                      | —           | 1,900                  |
| 46,391     | —                      | Singapore Factory Development ... ..              | —           | 4,383                  |
| —          | —                      | Borneo Abaca Ltd ... ..                           | —           | 83,905                 |
| —          | —                      | Macalder-Nyanza Mines Ltd ... ..                  | 77,168      | —                      |
| 9,021      | —                      | Kasungu Tobacco Estates ... ..                    | —           | 1,187                  |
| —          | —                      | Vipya Tung Estates ... ..                         | 4,137       | —                      |
| 26,469     | —                      | Bechuanaland Cattle Ranch ... ..                  | 5,578       | —                      |
| —          | 42                     | Bushman Pits Ranch ... ..                         | 729         | —                      |
| —          | 97,943                 | Lobatsi Abattoir ... ..                           | —           | 60,798                 |
| —          | 1,474                  | Molopo Ranch and Settlement Scheme ... ..         | —           | 9,008                  |
| 47,524     | —                      | Swaziland Irrigation Scheme ... ..                | 14,026      | —                      |
| 3,759      | —                      | Omo Sawmills of Nigeria Ltd ... ..                | —           | 22,526                 |
| 27,283     | —                      | Road contracts ... ..                             | —           | 1,356                  |
| —          | 22,204                 | SUNDRY INCOME ... ..                              | —           | 25,942                 |
| 199,708    | 312,873                |                                                   | 105,215     | 476,933                |
|            | 199,708                |                                                   |             | 105,215                |
| Net Profit | £113,165               | NET PROFIT (statement 4) ... ..                   |             | £371,718               |
|            | Interest and Dividends |                                                   |             | Interest and Dividends |
|            | 7,012                  | INVESTMENTS                                       |             | 8,204                  |
|            | 37,463                 | Barbados Light and Power Co Ltd ... ..            |             | 37,317                 |
|            | 32,175                 | British Guiana Consolidated Goldfields Ltd ... .. |             | 41,639                 |
|            | 9,878                  | British Guiana Rice Development Co Ltd ... ..     |             | 16,032                 |
|            | 3,729                  | Potaro Hydro-electric Co Ltd ... ..               |             | 3,192                  |
|            | 15,000                 | Jamaica Citrus Growers Ltd ... ..                 |             | 15,000                 |
|            | 153,374†               | Jamaica Public Service Co Ltd ... ..              |             | 56,216                 |
|            | 286,004                | Trinidad Cement Ltd ... ..                        |             | 300,853                |
|            | 11,485                 | Central Electricity Board, Malaya ... ..          |             | 4,954                  |
|            | 25,590                 | East Africa Industries Ltd ... ..                 |             | 35,130                 |
|            | 4,099                  | Kenya Housing Authority ... ..                    |             | 15,118                 |
|            | 23,931                 | Kenya Meat Commission ... ..                      |             | 188,519                |
|            | —                      | Kenya Power Co Ltd ... ..                         |             | 1,807                  |
|            | 36,774                 | Unga Ltd ... ..                                   |             | 62,951                 |
|            | 13,014                 | Kilembe Mines Ltd ... ..                          |             | 75,565                 |
|            | —                      | Central African Airways Corporation ... ..        |             | 11,911                 |
|            | 57,593                 | Federal Power Board (Kariba) ... ..               |             | 77,460                 |
|            | —                      | Chilanga Cement Ltd ... ..                        |             | 11,393                 |
|            | 1,294                  | Southern Rhodesia African Housing ... ..          |             | 3,897                  |
|            | 5,100                  | Swaziland Cannery (Pty) Ltd ... ..                |             | 5,891                  |
|            | 1,873                  | Ubombo Ranches (Pty) Ltd. ... ..                  |             | 19,000                 |
|            | —                      | Coast Construction Co Ltd ... ..                  |             | 2,722                  |
|            | —                      | Amalgamated Engineering Co Ltd ... ..             |             | 3,477                  |
|            | 56,250                 | Coast Construction (Nigeria) Ltd ... ..           |             | 56,250                 |
|            | 18,510                 | Lagos Executive Development Board ... ..          |             | 38,674                 |
|            | —                      | Sundry ... ..                                     |             | —                      |
|            | £800,148               | INCOME FROM INVESTMENTS (statement 4) ... ..      |             | £1,093,172             |

\* After additional depreciation provision relating to prior years of £18,747.

† Includes £98,039 for prior years.



# DETAILS OF ASSETS AND

|                                                                                              | British<br>Guiana<br>Timbers<br>Ltd | British<br>Honduras<br>Fruit Co Ltd<br>(citrus) |
|----------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------|
|                                                                                              | £                                   | £                                               |
| <b>FIXED ASSETS</b>                                                                          |                                     |                                                 |
| Freehold and leasehold land, plantations, concessions,<br>buildings and constructions ... .. | 700,881                             | 87,568                                          |
| Plant and machinery ... ..                                                                   | 418,571                             | 500                                             |
| Ships and vessels ... ..                                                                     | 197,963                             | —                                               |
| Land clearance equipment, tractors and agricultural<br>equipment ... ..                      | 93,043                              | 1,953                                           |
| Motor vehicles and rolling stock ... ..                                                      | 82,746                              | 697                                             |
| Furniture, fixtures, office and hotel equipment ... ..                                       | 18,648                              | 1,714                                           |
|                                                                                              | 1,511,852                           | 92,432                                          |
| <b>Less DEPRECIATION</b>                                                                     |                                     |                                                 |
| Freehold and leasehold land, plantations, concessions,<br>buildings and constructions ... .. | 95,634                              | 1,984                                           |
| Plant and machinery ... ..                                                                   | 108,351                             | 184                                             |
| Ships and vessels ... ..                                                                     | 60,576                              | —                                               |
| Land clearance equipment, tractors and agricultural<br>equipment ... ..                      | 54,697                              | 1,436                                           |
| Motor vehicles and rolling stock ... ..                                                      | 41,728                              | 58                                              |
| Furniture, fixtures, office and hotel equipment ... ..                                       | 9,612                               | 755                                             |
|                                                                                              | 370,598                             | 4,417                                           |
| <b>NET BOOK VALUE OF FIXED ASSETS ... ..</b>                                                 | <b>1,141,254</b>                    | <b>88,015</b>                                   |
| <b>PROGRESS PAYMENTS ON FIXED ASSETS ... ..</b>                                              | <b>—</b>                            | <b>—</b>                                        |
| <b>FORESTRY CROPS ... ..</b>                                                                 | <b>—</b>                            | <b>—</b>                                        |
| <b>LAND CLEARANCE ... ..</b>                                                                 | <b>—</b>                            | <b>—</b>                                        |
| <b>MINING INVESTIGATIONS AND DEVELOPMENT ... ..</b>                                          | <b>—</b>                            | <b>—</b>                                        |
| <b>GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPEN-<br/>DITURE CARRIED FORWARD ... ..</b>     | <b>76,832</b>                       | <b>4,633</b>                                    |
| <b>INVESTMENTS</b>                                                                           |                                     |                                                 |
| Shares in associated companies ... ..                                                        | 10,000                              | —                                               |
| Debentures, secured and unsecured loans ... ..                                               | 11,688                              | —                                               |
| Building Society advances on mortgage ... ..                                                 | —                                   | —                                               |
| <b>CURRENT ASSETS</b>                                                                        |                                     |                                                 |
| Stocks, stores and livestock less advances ... ..                                            | 213,894                             | 2,060                                           |
| Growing crops ... ..                                                                         | —                                   | —                                               |
| Debtors and prepayments, less provisions ... ..                                              | 57,372                              | 115                                             |
| Cash at banks and in hand ... ..                                                             | 6,112                               | 895                                             |
| <b>PRELIMINARY EXPENSES of subsidiary companies ... ..</b>                                   | <b>10,151</b>                       | <b>—</b>                                        |
| <b>TOTAL ASSETS ... ..</b>                                                                   | <b>1,527,303</b>                    | <b>95,718</b>                                   |
| <b>INTEREST OF MINORITY SHAREHOLDERS in subsidiary<br/>companies overseas ... ..</b>         | <b>28,460</b>                       | <b>—</b>                                        |
| <b>CREDITORS AND ACCRUED CHARGES ... ..</b>                                                  | <b>79,556</b>                       | <b>423</b>                                      |
| <b>BANK LOANS AND OVERDRAFTS ... ..</b>                                                      | <b>—</b>                            | <b>—</b>                                        |



STATEMENT 6

LIABILITIES OF PROJECTS

| Fort George Hotel | Dominica Electricity Services | Melville Hall Estate | Jamaica Cooling Store | St Vincent Electricity Services | Malaya Borneo Building Society Ltd |
|-------------------|-------------------------------|----------------------|-----------------------|---------------------------------|------------------------------------|
| £                 | £                             | £                    | £                     | £                               | £                                  |
| 232,404           | 108,237                       | 28,747               | 96,973                | 90,991                          | 81,748                             |
| 1,211             | 100,581                       | 1,324                | 34,208                | 132,573                         | —                                  |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| 1,000             | 1,307                         | 4,475                | 4,077                 | 2,094                           | 7,643                              |
| 13,566            | 4,169                         | 1,151                | 2,038                 | 2,643                           | 25,979                             |
| 248,181           | 214,294                       | 35,697               | 137,296               | 228,301                         | 115,370                            |
| 142,819           | 12,946                        | 2,927                | 12,701                | 9,328                           | 1,867                              |
| 189               | 14,304                        | 483                  | 9,462                 | 17,951                          | —                                  |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| 437               | 675                           | 2,199                | 3,324                 | 1,260                           | 2,405                              |
| 5,772             | 2,849                         | 718                  | 1,595                 | 1,118                           | 19,300                             |
| 149,217           | 30,774                        | 6,327                | 27,082                | 29,657                          | 23,572                             |
| 98,964            | 183,520                       | 29,370               | 110,214               | 198,644                         | 91,798                             |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| —                 | —                             | 5,890                | —                     | —                               | —                                  |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| —                 | 199                           | —                    | 6,196                 | 277                             | —                                  |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| —                 | —                             | —                    | —                     | —                               | 125,473                            |
| —                 | —                             | —                    | —                     | —                               | 6,198,590                          |
| 8,927             | 13,109                        | 2,939                | 1,738                 | 13,452                          | —                                  |
| —                 | —                             | 7,572                | —                     | —                               | —                                  |
| 2,191             | 2,952                         | 247                  | 10,632                | 5,782                           | 11,311                             |
| 2,563             | 2,739                         | 329                  | 1,656                 | 1,916                           | 3,305                              |
| —                 | —                             | —                    | —                     | —                               | —                                  |
| 112,645           | 202,519                       | 46,347               | 130,436               | 220,071                         | 6,430,477                          |
| —                 | —                             | —                    | —                     | —                               | 618,095                            |
| 2,692             | 7,257                         | 1,250                | 2,423                 | 5,215                           | 808,163                            |
| —                 | —                             | —                    | —                     | —                               | 2,467,435                          |

# DETAILS OF ASSETS AND

|                                                                                           | Kulai<br>Oil<br>Palm<br>Estate | Singapore<br>Factory<br>Development |
|-------------------------------------------------------------------------------------------|--------------------------------|-------------------------------------|
|                                                                                           | £                              | £                                   |
| <b>FIXED ASSETS</b>                                                                       |                                |                                     |
| Freehold and leasehold land, plantations, concessions, buildings and constructions ... .. | 671,237                        | 42,769                              |
| Plant and machinery ... ..                                                                | 50,092                         | —                                   |
| Ships and vessels ... ..                                                                  | —                              | —                                   |
| Land clearance equipment, tractors and agricultural equipment ... ..                      | —                              | —                                   |
| Motor vehicles and rolling stock ... ..                                                   | 6,268                          | —                                   |
| Furniture, fixtures, office and hotel equipment ... ..                                    | 10,022                         | —                                   |
|                                                                                           | 737,619                        | 42,769                              |
| <b>Less DEPRECIATION</b>                                                                  |                                |                                     |
| Freehold and leasehold land, plantations, concessions, buildings and constructions ... .. | 40,322                         | —                                   |
| Plant and machinery ... ..                                                                | 22,532                         | —                                   |
| Ships and vessels ... ..                                                                  | —                              | —                                   |
| Land clearance equipment, tractors and agricultural equipment ... ..                      | —                              | —                                   |
| Motor vehicles and rolling stock ... ..                                                   | 3,188                          | —                                   |
| Furniture, fixtures, office and hotel equipment ... ..                                    | 2,833                          | —                                   |
|                                                                                           | 68,875                         | —                                   |
| <b>NET BOOK VALUE OF FIXED ASSETS</b> ... ..                                              | 668,744                        | 42,769                              |
| <b>PROGRESS PAYMENTS ON FIXED ASSETS</b> ... ..                                           | 165,152                        | —                                   |
| <b>FORESTRY CROPS</b> ... ..                                                              | —                              | —                                   |
| <b>LAND CLEARANCE</b> ... ..                                                              | —                              | —                                   |
| <b>MINING INVESTIGATIONS AND DEVELOPMENT</b> ... ..                                       | —                              | —                                   |
| <b>GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPENDITURE CARRIED FORWARD</b> ... ..        | 77,996                         | —                                   |
| <b>INVESTMENTS</b>                                                                        |                                |                                     |
| Shares in associated companies ... ..                                                     | 141                            | —                                   |
| Debentures, secured and unsecured loans ... ..                                            | —                              | 89,077                              |
| Building Society advances on mortgage ... ..                                              | —                              | —                                   |
| <b>CURRENT ASSETS</b>                                                                     |                                |                                     |
| Stocks, stores and livestock less advances ... ..                                         | 9,119                          | —                                   |
| Growing crops ... ..                                                                      | —                              | —                                   |
| Debtors and prepayments, less provisions ... ..                                           | 9,006                          | 2,495                               |
| Cash at banks and in hand ... ..                                                          | 1,505                          | —                                   |
| <b>PRELIMINARY EXPENSES of subsidiary companies</b> ... ..                                | —                              | —                                   |
| <b>TOTAL ASSETS</b> ... ..                                                                | 931,663                        | 134,341                             |
| <b>INTEREST OF MINORITY SHAREHOLDERS in subsidiary companies overseas</b> ... ..          | —                              | —                                   |
| <b>CREDITORS AND ACCRUED CHARGES</b> ... ..                                               | 21,119                         | 1,234                               |
| <b>BANK LOANS AND OVERDRAFTS</b> ... ..                                                   | —                              | —                                   |

## STATEMENT 6 (continued)

## LIABILITIES OF PROJECTS

| Borneo<br>Abaca<br>Ltd | Macalder-<br>Nyanza<br>Mines<br>Ltd | Rungwe<br>Coal<br>Company | Tanganyika<br>Coalfields<br>and<br>Liganga Iron<br>Investigations | Tanganyika<br>Wattle<br>Estates | Kasungu<br>Tobacco<br>Estates |
|------------------------|-------------------------------------|---------------------------|-------------------------------------------------------------------|---------------------------------|-------------------------------|
| £                      | £                                   | £                         | £                                                                 | £                               | £                             |
| 1,688,702              | 447,795                             | —                         | 2,641                                                             | 220,450                         | 72,491                        |
| 381,676                | 578,498                             | —                         | 1,893                                                             | 145,676                         | 7,547                         |
| 63,768                 | —                                   | —                         | —                                                                 | —                               | —                             |
| 50,593                 | 19,122                              | —                         | —                                                                 | 40,831                          | 9,837                         |
| 180,046                | 10,138                              | 2,708                     | —                                                                 | 11,580                          | 6,382                         |
| 27,795                 | 34,513                              | 1,796                     | 150                                                               | 11,381                          | 4,632                         |
| 2,392,580              | 1,090,066                           | 4,504                     | 4,684                                                             | 429,918                         | 100,889                       |
| 236,957                | 40,023                              | —                         | 357                                                               | 30,425                          | 17,638                        |
| 79,905                 | 74,341                              | —                         | 942                                                               | 6,357                           | 2,918                         |
| 15,088                 | —                                   | —                         | —                                                                 | —                               | —                             |
| 30,931                 | 15,016                              | —                         | —                                                                 | 39,675                          | 3,106                         |
| 66,163                 | 7,017                               | 995                       | —                                                                 | 11,579                          | 6,364                         |
| 10,518                 | 14,651                              | 726                       | 100                                                               | 7,229                           | 3,443                         |
| 439,562                | 151,048                             | 1,721                     | 1,399                                                             | 95,265                          | 33,469                        |
| 1,953,018              | 939,018                             | 2,783                     | 3,285                                                             | 334,653                         | 67,420                        |
| —                      | —                                   | —                         | —                                                                 | —                               | —                             |
| —                      | —                                   | —                         | —                                                                 | 558,173                         | —                             |
| —                      | —                                   | —                         | —                                                                 | 103,215                         | 1,235                         |
| —                      | 1,003,554                           | 41,877                    | 496,654                                                           | —                               | —                             |
| 72,499                 | —                                   | —                         | —                                                                 | 6,055                           | 11,553                        |
| —                      | —                                   | —                         | —                                                                 | —                               | —                             |
| —                      | —                                   | —                         | —                                                                 | —                               | —                             |
| —                      | —                                   | —                         | —                                                                 | —                               | —                             |
| 319,260                | 395,918                             | 60                        | 437                                                               | 40,328                          | 17,475                        |
| —                      | —                                   | —                         | —                                                                 | 1,994                           | 19,029                        |
| 30,730                 | 11,947                              | 28                        | 24                                                                | 13,581                          | 891                           |
| 15,342                 | 6,663                               | 1,014                     | 4                                                                 | 10,786                          | 2,969                         |
| —                      | 5,169                               | —                         | —                                                                 | —                               | —                             |
| 2,390,849              | 2,362,269                           | 45,762                    | 500,404                                                           | 1,068,785                       | 120,572                       |
| 37,408                 | 206,386                             | —                         | —                                                                 | —                               | —                             |
| 98,047                 | 100,197                             | 19,888                    | 2,595                                                             | 18,564                          | 7,537                         |
| —                      | —                                   | —                         | —                                                                 | —                               | —                             |

# DETAILS OF ASSETS AND

|                                                                                              | Vipya<br>Tung<br>Estates | Bechuanaland<br>Cattle<br>Ranch |
|----------------------------------------------------------------------------------------------|--------------------------|---------------------------------|
|                                                                                              | £                        | £                               |
| <b>FIXED ASSETS</b>                                                                          |                          |                                 |
| Freehold and leasehold land, plantations, concessions,<br>buildings and constructions ... .. | 782,413                  | 98,359                          |
| Plant and machinery ... ..                                                                   | 30,978                   | 21,834                          |
| Ships and vessels ... ..                                                                     | —                        | —                               |
| Land clearance equipment, tractors and agricultural<br>equipment ... ..                      | 24,038                   | 10,600                          |
| Motor vehicles and rolling stock ... ..                                                      | 7,856                    | 11,795                          |
| Furniture, fixtures, office and hotel equipment ... ..                                       | 7,766                    | 5,863                           |
|                                                                                              | 853,051                  | 148,451                         |
| <b>Less DEPRECIATION</b>                                                                     |                          |                                 |
| Freehold and leasehold land, plantations, concessions,<br>buildings and constructions ... .. | 223,038                  | 27,044                          |
| Plant and machinery ... ..                                                                   | 4,709                    | 10,474                          |
| Ships and vessels ... ..                                                                     | —                        | —                               |
| Land clearance equipment, tractors and agricultural<br>equipment ... ..                      | 19,745                   | 9,087                           |
| Motor vehicles and rolling stock ... ..                                                      | 7,759                    | 8,935                           |
| Furniture, fixtures, office and hotel equipment ... ..                                       | 6,136                    | 3,724                           |
|                                                                                              | 261,387                  | 59,264                          |
| <b>NET BOOK VALUE OF FIXED ASSETS ... ..</b>                                                 | <b>591,664</b>           | <b>89,187</b>                   |
| <b>PROGRESS PAYMENTS ON FIXED ASSETS ... ..</b>                                              | <b>—</b>                 | <b>—</b>                        |
| <b>FORESTRY CROPS ... ..</b>                                                                 | <b>—</b>                 | <b>—</b>                        |
| <b>LAND CLEARANCE ... ..</b>                                                                 | <b>—</b>                 | <b>—</b>                        |
| <b>MINING INVESTIGATIONS AND DEVELOPMENT ... ..</b>                                          | <b>—</b>                 | <b>—</b>                        |
| <b>GENERAL DEVELOPMENT, SURVEYS AND REVENUE EXPEN-<br/>DITURE CARRIED FORWARD ... ..</b>     | <b>—</b>                 | <b>—</b>                        |
| <b>INVESTMENTS</b>                                                                           |                          |                                 |
| Shares in associated companies ... ..                                                        | —                        | —                               |
| Debentures, secured and unsecured loans ... ..                                               | —                        | —                               |
| Building Society advances on mortgage ... ..                                                 | —                        | —                               |
| <b>CURRENT ASSETS</b>                                                                        |                          |                                 |
| Stocks, stores and livestock less advances ... ..                                            | 32,385                   | 114,806                         |
| Growing crops ... ..                                                                         | —                        | 311                             |
| Debtors and prepayments, less provisions ... ..                                              | 10,961                   | 1,662                           |
| Cash at banks and in hand ... ..                                                             | 1,881                    | 6,394                           |
| <b>PRELIMINARY EXPENSES of subsidiary companies ... ..</b>                                   | <b>—</b>                 | <b>—</b>                        |
|                                                                                              | 636,891                  | 212,360                         |
| <b>INTEREST OF MINORITY SHAREHOLDERS in subsidiary<br/>companies overseas ... ..</b>         | <b>—</b>                 | <b>—</b>                        |
| <b>CREDITORS AND ACCRUED CHARGES ... ..</b>                                                  | <b>9,368</b>             | <b>4,987</b>                    |
| <b>BANK LOANS AND OVERDRAFTS ... ..</b>                                                      | <b>—</b>                 | <b>—</b>                        |



## STATEMENT 6 (continued)

## LIABILITIES OF PROJECTS

| Bushman<br>Pits<br>Ranch | Lobatsi<br>Abattoir | Molopo<br>Ranch<br>and<br>Settlement<br>Scheme | Swaziland<br>Irrigation<br>Scheme | Usutu<br>Forests | Omo<br>Sawmills of<br>Nigeria Ltd |
|--------------------------|---------------------|------------------------------------------------|-----------------------------------|------------------|-----------------------------------|
| £                        | £                   | £                                              | £                                 | £                | £                                 |
| 8,799                    | 358,101             | 89,003                                         | 1,380,708                         | 840,358          | 145,865                           |
| 2,582                    | 330,615             | 12,929                                         | 73,734                            | 98,193           | 72,629                            |
| —                        | —                   | —                                              | —                                 | —                | 646                               |
| —                        | —                   | 1,869                                          | 130,652                           | 14,213           | 26,218                            |
| 1,190                    | 1,080               | 3,607                                          | 42,906                            | 53,572           | 19,070                            |
| 487                      | 14,206              | 2,530                                          | 14,753                            | 5,859            | 3,094                             |
| 13,058                   | 704,002             | 109,938                                        | 1,642,753                         | 1,012,195        | 267,522                           |
| 1,298                    | 81,246              | 16,334                                         | 80,089                            | 62,120           | 34,654                            |
| 366                      | 77,857              | 3,770                                          | 33,216                            | 44,530           | 25,871                            |
| —                        | —                   | —                                              | —                                 | —                | 618                               |
| —                        | —                   | 404                                            | 96,803                            | 9,743            | 14,209                            |
| 178                      | 1,080               | 3,262                                          | 33,342                            | 26,442           | 12,440                            |
| 67                       | 5,909               | 1,230                                          | 8,823                             | 2,875            | 1,786                             |
| 1,909                    | 166,092             | 25,000                                         | 252,273                           | 145,710          | 89,578                            |
| 11,149                   | 537,910             | 84,938                                         | 1,390,480                         | 866,485          | 177,944                           |
| 1,161                    | —                   | —                                              | —                                 | —                | —                                 |
| —                        | —                   | —                                              | —                                 | 1,239,660        | —                                 |
| —                        | —                   | —                                              | 97,897                            | —                | —                                 |
| —                        | —                   | —                                              | —                                 | —                | —                                 |
| 3,102                    | 75,429              | 21,737                                         | 318,899                           | 93,296           | 430                               |
| —                        | —                   | —                                              | 34                                | 12               | —                                 |
| —                        | —                   | —                                              | 102,791                           | —                | —                                 |
| —                        | —                   | —                                              | —                                 | —                | —                                 |
| —                        | 27,200              | 105,466                                        | 190,377                           | 78,081           | 44,638                            |
| —                        | —                   | —                                              | 42,817                            | 10,225           | —                                 |
| 10,850                   | 31,035              | 174                                            | 12,224                            | 21,602           | 20,568                            |
| —                        | 2,029               | 336                                            | 12,102                            | 8,149            | 6,449                             |
| —                        | —                   | —                                              | —                                 | —                | —                                 |
| 26,262                   | 673,603             | 212,651                                        | 2,167,621                         | 2,317,510        | 250,029                           |
| —                        | —                   | —                                              | —                                 | —                | 79,779                            |
| 73                       | 17,799              | 9,734                                          | 186,823                           | 27,728           | 26,704                            |
| 9,643                    | 92,268              | —                                              | —                                 | —                | —                                 |

## STATEMENT 7

## INVESTMENTS AT COST LESS AMOUNTS WRITTEN OFF

|                                                                          | £         | £           |
|--------------------------------------------------------------------------|-----------|-------------|
| SHARES IN ASSOCIATED COMPANIES                                           |           |             |
| (a) quoted                                                               |           |             |
| British Guiana Consolidated Goldfields Ltd (market value £63,174) ... .. |           | 87,852      |
| (b) unquoted                                                             |           |             |
| Potaro Hydro-electric Co Ltd ... ..                                      | 72,000    |             |
| Trinidad Cement Ltd ... ..                                               | 1,092,500 |             |
| West Indies Navigation Co Ltd ... ..                                     | 15,000    |             |
| Malayan Cocoa Ltd ... ..                                                 | 37,867    |             |
| United Cocoa Development Co Ltd ... ..                                   | 10,595    |             |
| East Africa Industries Ltd ... ..                                        | 275,000   |             |
| Unga Ltd ... ..                                                          | 250,000   |             |
| Tangold Mining Co Ltd ... ..                                             | 250,000   |             |
| Kilembe Mines Ltd ... ..                                                 | 1,140,000 |             |
| Chilanga Cement Ltd ... ..                                               | 802,500   |             |
| Coast Construction Co Ltd ... ..                                         | 50,000    |             |
| Coast Construction (Nigeria) Ltd ... ..                                  | 30,000    |             |
| Greenheart (Demerara) Inc ... ..                                         | 10,000    |             |
| Sundries ... ..                                                          | 217       |             |
|                                                                          |           | 4,035,679   |
| DEBENTURES, SECURED AND UNSECURED <sup>1</sup> LOANS                     |           |             |
| (a) quoted                                                               |           |             |
| Kenya Power Co Ltd (market value £2,957,500) ...                         |           | 3,499,553   |
| (b) unquoted                                                             |           |             |
| Barbados Light and Power Co Ltd ... ..                                   | 175,000   |             |
| British Guiana Consolidated Goldfields Ltd ... ..                        | 624,447   |             |
| British Guiana Rice Development Co Ltd ... ..                            | 1,094,000 |             |
| Potaro Hydro-electric Co Ltd ... ..                                      | 340,000   |             |
| Cayman Islands Airport ... ..                                            | 47,175    |             |
| Jamaica Citrus Growers Ltd ... ..                                        | 61,000    |             |
| Jamaica Public Service Co Ltd ... ..                                     | 294,000   |             |
| West Indies Navigation Co Ltd ... ..                                     | 92,500    |             |
| Central Electricity Board, Malaya ... ..                                 | 7,077,950 |             |
| East Africa Industries Ltd ... ..                                        | 100,000   |             |
| Kenya Housing Authority ... ..                                           | 950,000   |             |
| Kenya Meat Commission ... ..                                             | 237,500   |             |
| Unga Ltd ... ..                                                          | 450,000   |             |
| Mbeya Exploration Co Ltd ... ..                                          | 140,170   |             |
| Kilembe Mines Ltd ... ..                                                 | 1,050,000 |             |
| Central African Airways Corporation ... ..                               | 1,750,000 |             |
| Federal Power Board (Kariba) ... ..                                      | 750,000   |             |
| Southern Rhodesia African Housing ... ..                                 | 750,000   |             |
| Chilanga Cement Ltd ... ..                                               | 72,000    |             |
| High Commission Printing and Publishing Co Ltd ...                       | 8,000     |             |
| Swaziland Cannery (Pty) Ltd ... ..                                       | 68,250    |             |
| Ubombo Ranches (Pty) Ltd ... ..                                          | 98,179    |             |
| Coast Construction Co Ltd ... ..                                         | 280,808   |             |
| Amalgamated Engineering Co Ltd ... ..                                    | 50,000    |             |
| Coast Construction (Nigeria) Ltd ... ..                                  | 140,000   |             |
| Lagos Executive Development Board ... ..                                 | 1,250,000 |             |
| Advances on mortgage ... ..                                              | 153,453   |             |
| Sundries ... ..                                                          | 231,749   |             |
|                                                                          |           | 18,336,181  |
| BUILDING SOCIETY ADVANCES ON MORTGAGE                                    |           |             |
| Malaya Borneo Building Society Ltd ... ..                                |           | 6,198,590   |
| per statement 2 ... ..                                                   |           | £32,157,855 |

### III PROJECTS REPORTS

#### CARIBBEAN REGION

##### 21 Regional summary

- (1) British West Indies, British Guiana and British Honduras have 16 continuing projects for which capital approval at 31.12.56 was £7,642,000; employed £6,650,000.
- (2) No new jobs were started in 1956 but several schemes, particularly in British Honduras and British Guiana, are being examined; there is increasing American and Canadian interest in the area.
- (3) Liquidation of abandoned jobs was completed with the disposal of CDC properties in Andros, Eleuthera, and the Cramer Estates in British Honduras—for development schemes sponsored otherwise.
- (4) Federation should mean increased opportunity for development; one immediate issue is the future of the inter-island shipping service; improved communications are vital but the West Indies Navigation Co agreement expires in January 1958; continuation of the service—much desired by West Indian Governments—must be decided and terms negotiated at latest in May, somebody being authorised to settle in advance for Federation Government.

#### BARBADOS

##### 22 Barbados Light & Power Co Ltd

- (1) Issued capital BWI \$3,727,880 in 645,576 \$5 ordinary shares (mostly held by parent UK Barbados Electric Supply Corporation Ltd) and 100,000 5½% preference shares of \$5 each (held by Barbados public).
- (2) (a) £250,000 secured loan (1954) from CDC, with conversion rights attaching 25% outstanding balance any time;  
(b) £175,000 drawn 31.12.56; rest to be drawn in 1957; CDC loan finances new 2,500 kw steam generating station and extensions to distribution system.
- (3) Further expansion; units sold year ended 30.6.56 17,922,643 kwh (16,490,614 kwh in 1954/55).

#### BRITISH GUIANA

##### 23 British Guiana Consolidated Goldfields Ltd

- (1) (a) 1956 was Potaro dredge's first bad year;  
(b) both yardage and grade recovered were lower than ever before;  
(c) unprecedented floods were the main cause; for two full months and parts of two more, dredge could not reach bedrock; gold was left behind;  
(d) and new Konawaruk dredge did not get going at all as same floods held up work on Potaro Hydro-electric Co (see §26) so no power was available.
- (2) (a) Issued capital £294,628 in 2/- ordinary shares, CDC holding £87,893.16.0d.;  
(b) CDC loans also outstanding; first debenture £178,704 and second debenture £445,743;  
(c) to help Company over difficulties due to no revenue from Konawaruk dredge, terms of first debenture modified to spread repayments over last 13 years of loan, against extension conversion rights by two years till 31.12.58.

(3) (a) At 31.12.56 ore reserves were:

| Class                | Area                     | cu yds     | gr/cu yd |
|----------------------|--------------------------|------------|----------|
| Proved ... ..        | Lower Potaro ... ..      | 6,070,000  | 4·10     |
|                      | Middle Konawaruk ... ..  | 2,313,500  | 3·39     |
|                      | Upper Konawaruk ... ..   | 26,610,500 | 3·16     |
|                      | total and average ... .. | 34,994,000 | 3·33     |
| Partly proved ... .. | Upper Potaro ... ..      | 9,800,000  | 3·47     |
|                      | Middle Konawaruk ... ..  | 4,897,000  | 3·52     |
|                      | Upper Konawaruk ... ..   | 3,397,000  | 2·38     |
|                      | total and average ... .. | 18,094,000 | 3·28     |

(b) drilling in Puruni valley did not show economic deposits.

(4) (a) 1956 results, Potaro dredge—12,387 fine oz from 1,666,692 cu yds (17,974 from 1,853,169 cu yds in 1955);

(b) loss after depreciation, amortisation and debenture interest, £43,160 (profit £32,594 in 1955).

## 24 British Guiana Rice Development Co Ltd

(1) (a) £1,042,000 loan, guaranteed by British Guiana Government, agreed in 1952 for expansion of rice production; repayable five years after drawing;

(b) amount drawn at 31.12.56 £844,000.

(2) Additional £250,000 short-term loan authorised for seasonal working capital again drawn in 1956.

(3) Company's new rice mill at Anna Regina was formally opened on 1.3.56; Company also has a mill at Mahaicony and an experimental and demonstration estate.

## 25 British Guiana Timbers Ltd

(1) (a) Issued capital BG \$7,248,000 (£1,510,000) of which CDC holds BG \$7,073,200 (£1,473,583); rest held by Industrial Holdings (BG) Ltd (Bookers) and Greenheart (Demerara) Inc (of USA);

(b) Company has reduced its current account with CDC from £431,629 to £257,256;

(c) total CDC outlay at cost less amounts written off £1,475,576.

(2) (a) Hard thinking and hard work have led to good progress; transport of logs—up to 80 feet long—by lorry through forest and by barge on 85 miles of river and sea to mill and ocean steamer is much more efficient; Houston sawmill operates smoothly at full capacity; both forest and mill costs have been substantially reduced;

(b) expatriate staff also reduced; training of Guianese for responsible positions continues; aim is maximum local employment consistent with efficiency;

(c) labour relations satisfactory; Company has made a new agreement with Sawmill and Forest Worker's Union, barring strikes and lockouts for one year.



- (3) (a) Deliveries from forest 25,443 tons (24,457 tons 1955);  
 (b) Houston sawmill output 13,451 tons (of 50 cubic feet) of lumber, increase of 17% over 1955 (11,472).  
 (4) (a) Sales were—

|                 |     |     | 1956   |         | 1955   |         |
|-----------------|-----|-----|--------|---------|--------|---------|
|                 |     |     | tons   | £       | tons   | £       |
| Logs and piling | ... | ... | 6,780  | 163,081 | 6,449  | 139,435 |
| Lumber          | ... | ... | 13,892 | 424,027 | 15,054 | 420,998 |
| Totals          | ... | ... | 20,672 | 587,108 | 21,503 | 560,433 |

- (b) sawn timber stocks slightly reduced; larger stocks of logs and piling were necessary to ensure quick shipment against demand;  
 (c) exports up in value by 11% to £357,805 (£322,367 in 1955);  
 (d) markets by values were :

|                  |     |     |     |     | 1956 | 1955 |
|------------------|-----|-----|-----|-----|------|------|
| UK and Continent | ... | ... | ... | ... | 29%  | 25%  |
| USA              | ... | ... | ... | ... | 27%  | 27%  |
| West Indies      | ... | ... | ... | ... | 5%   | 6%   |
| Local            | ... | ... | ... | ... | 39%  | 42%  |

- (e) prices were better than in 1955 but would be higher if unique properties of greenheart for durable marine construction were more fully realised;  
 (f) sawmill's ability, with modern machinery, to fabricate special products to order often secured a premium; manufacture of by-products such as flooring blocks and strips increased;  
 (g) ocean freights, already high compared with other tropical timber areas, were increased twice during year;  
 (h) Company helped small loggers and millers to find markets for their products by buying 3,026 tons of logs and pilings, 275 tons of lumber.  
 (5) Net profit, before charging £19,868 interest on current account (1955 nil) and £30,000 special depreciation was £63,629 against net loss of £37,730 in 1955; £100,000 up on last year.  
 (6) Export sales can be further increased, and new markets are being sought; tendency to substitute imported cement for local lumber in new building causes some apprehension; and increasing distance of greenheart reserves makes further reduction in costs unlikely.  
 (7) But prospects are fair; and it is good at last to be out of the red.

## 26 Potaro Hydro-electric Co Ltd

- (1) Company is installing hydro-electric station at Tumatumari Falls on Potaro River to supply power to British Guiana Consolidated Goldfields (see § 23).  
 (2) (a) Owing to prolonged severe flooding, work was only possible for about half the time which might have been expected;  
 (b) so spillwall, new intake gates and forward trash screen still uncompleted; await low river conditions;  
 (c) but power station building was finished and one water wheel lowered into place; floods stopped installation of second and damaged first;

- (d) ten mile transmission line to Goldfields Company's new dredge was completed except for end tower on island—ready for erection when island reappears.
- (3) (a) Both turbines ought to be ready to produce power by May 1957 but whether they can safely work depends on river falling low enough to let gates and screen be installed;  
 (b) main channel cannot be permanently closed till late in year.
- (4) (a) To meet increased cost caused by these delays and misfortunes, authorised and issued capital was increased by BG \$288,000 to BG \$768,000 (£160,000), of which Goldfields Company 55%, CDC 45%;  
 (b) CDC increased loan against debenture by £70,000; advanced at 31.12.56 £340,000.
- (5) This job has been bedevilled by weather, but nonetheless ought to have gone much quicker.

## BRITISH HONDURAS

### 27 British Honduras Fruit Co Ltd (citrus)

- (1) 506 acres oranges and 31 acres high grade cocoa.
- (2) 3,484 boxes oranges produced; first harvest of cocoa pods provided beans for trial fermentation and seed for nursery.
- (3) Trading started in 1956, but citrus will not be fully mature until 1962/63 season, cocoa 1962.
- (4) Inability of locally owned processing factory (project's sole outlet for citrus) to take all ripe fruit in time adversely affected results; expert appraisal of factory's capacity should be available shortly.
- (5) Cocoa grows well; further expansion under consideration.
- (6) Capital at 31.12.56 £95,379.

### 28 Fort George Hotel

- (1) (a) Custom increased, again mainly from American tourists; construction of more bedrooms being considered; depends on continued increase in tourist trade;  
 (b) publicity help from Government gratefully acknowledged; a Tourist Board would be welcome.
- (2) Dinkler Hotels Company Inc of Atlanta, Georgia, undertook management on 1st November for a trial period.
- (3) 1956 trading profit £3,871 on takings £52,099 (£3,512 on £39,897 in 1955); reduced by abnormal expenses.
- (4) Capital at 31.12.56 £109,953 (£150,000 written off in 1953.)

## DOMINICA

### 29 Dominica Electricity Services

- (1) (a) Distribution system further extended;  
 (b) consulting engineers, investigating expansion possibilities, recommended hydrological survey which was put in hand;  
 (c) industrial demand is low; potential demand predominantly domestic in rural districts;

(d) before CDC can contemplate additional generating capacity to meet demand outside present scheduled areas, tariffs will have to be raised.

(2) Units sold increased by 29% to 1,480,000 kwh (1,146,000 kwh in 1955); costs reduced but tariff still uneconomic; loss £3,569 (£1,531 in 1955) swollen by back provisions for amounts in dispute on supplies to Government institutions.

(3) Capital at 31.12.56 £212,583.

### **30 Melville Hall Estate**

(1) (a) 284 acres bananas, 231 coconuts; small areas cocoa, citrus and coffee;

(b) estate is largest banana producer in Windwards; example set under CDC management has stimulated development, particularly in north-east Dominica.

(2) (a) 109,629 stems bananas sold through Dominica Banana Association (105,843 in 1955);

(b) labour shortage reduced copra sales to 85.38 tons (89.09 in 1955); first cocoa crop expected in 1957;

(c) trading profit £15,404 (£9,234 in 1955) a record despite much storm damage.

(3) Capital at 31.12.56 £44,992.

(4) (a) Labour becoming scarcer in Dominica so mechanization increases;

(b) prospects remain good subject always to usual tropical hazards.

## **JAMAICA AND DEPENDENCIES**

### **31 Cayman Islands Airport**

(1) £55,500 loan (1953) to finance construction.

(2) Airport should encourage tourists.

(3) Principal and interest secured on Islands' revenue and guaranteed by Government.

(4) Repayment by 20 annual instalments; outstanding at 31.12.56 £47,175.

### **32 Jamaica Citrus Growers Ltd**

(1) Loan of £110,000 (1951) to finance extension of fruit-processing factory.

(2) Company is great help to citrus industry and is good customer of Jamaica Cooling Store (see § 33).

(3) CDC is represented on board by Regional Controller.

(4) Principal and interest secured on assets and guaranteed by parent body, Citrus Growers' Association Ltd.

(5) Repayable over ten years from 31.3.52; outstanding at 31.12.56 £61,000.

### **33 Jamaica Cooling Store**

(1) Capacity 80,000 cu ft cooling space and 6,000 cu ft cold added in 1955.

(2) Store continues mainly to serve citrus exports but greater assistance to other Jamaica food producers in prospect.

(3) New cold room a notable success; to meet increased demand one cooling room being converted to provide another 8,000 cu ft of cold space, with co-operation of Citrus Growers Association Ltd which has agreed to reduce calls on space.

- (4) Net profit improved further to £6,101 on storage charges of £27,032 (£3,997 on £22,702 in 1955).
- (5) Capital at 31.12.56 £128,043.
- (6) Local or other suitable participation would be welcome with view to further expansion.

### **34 Jamaica Public Service Co Ltd**

- (1) Ten-year loan to body responsible for electricity supply in Kingston and St Andrew and elsewhere.
- (2) (a) £300,000 issued in 1953 at 98 %; repayable at par;  
(b) principal and interest secured on assets.
- (3) Units sold have more than trebled in ten years.
- (4) New 27,000 hp steam generating station at Hunts Bay, near Kingston, opened in May and new 3,500 hp hydro station, located on Rio Bueno in Parish of Trelawny, opened in June.

## **ST VINCENT**

### **35 St Vincent Electricity Services**

- (1) (a) Third 400 kva generator commissioned;  
(b) extensions to distribution system completed 1956 will take almost all generating capacity of existing hydro-electric station;  
(c) consulting engineers investigated hydro-electric possibilities of Richmond River; recommended preliminary survey; this completed at year end.
- (2) Units sold 1,750,000 kwh (1,399,000 kwh in 1955); profit £14,056 (£11,576 in 1955); Colonial Office interest reduces profit to £5,476 (accumulated loss £4,112).
- (3) Capital at 31.12.56 £189,461.

## **TRINIDAD**

### **36 Trinidad Cement Ltd**

- (1) (a) Issued capital BWI \$7,404,000 divided into \$2,160,000 ordinary shares and \$5,244,000 5 % cumulative redeemable preference;  
(b) The Rugby Portland Cement Co Ltd owns all ordinary shares; CDC all preference;  
(c) CDC holding reduced to \$5,244,000 (£1,092,500) by redemption of 55,200 preference shares.
- (2) (a) Company again had a successful year; output exceeded that for 1955;  
(b) preference dividends £56,216, including accrued dividend on shares redeemed during year, have been received.

### **37 West Indies Navigation Co Ltd**

- (1) (a) Company incorporated in Trinidad; issued capital BWI \$216,000 (£45,000) held equally by Jardine, Matheson & Co Ltd, Indo-China Steam Navigation Co Ltd and CDC; in addition CDC has advanced BWI \$444,000 (£92,500) for working capital;  
(b) general managers Jardine, Matheson & Co (Caribbean) Ltd.





SS "West Indian" at Port of Spain, Trinidad.



A fine stem of bananas at Melville  
Hall Estate, Dominica.



(2) Under agreement with local governments Company operates shipping service (passenger and freight) in BWI and to British Guiana; UK and local governments contribute subsidy £50,000 per annum for three years till January 1958.

(3) (a) ss "West Indian" sailed ten round voyages between British Guiana and Jamaica in 1956 with five diversions to Turks Islands; addition of Georgetown to schedule during 1956 increased length of each voyage and reduced number of voyages;

|                   |     |     | 1956       | 1955       |
|-------------------|-----|-----|------------|------------|
| (b) miles steamed | ... | ... | 36,000     | 37,000     |
| ports of call     | ... | ... | 206        | 224        |
| cargo, tons       | ... | ... | 28,885     | 25,202     |
| freight-ton miles | ... | ... | 28,790,799 | 19,421,587 |
| passengers        | ... | ... | 5,497      | 7,042      |
| passenger miles   | ... | ... | 1,645,075  | 1,587,382  |

(4) Cost of ship operation and bunkering, port-handling charges and repairs still increase; cargo working in some ports still far too slow.

(5) (a) Draft accounts show loss BWI \$170,670 in 1956 (1955 loss BWI \$466,573);

(b) freight rates increased 10% 1.1.57 and cargo offerings gradually increase; so 1957 prospects are better than 1956 though with rising costs third year is likely still to show a loss at present rate of subsidy.

(6) (a) Future of Company has to be decided early in 1957 as existing temporary arrangements end in January 1958; shipping expert from UK has carried out investigation on behalf of Regional Economic Committee; his report is now being considered by Standing Federation Committee;

(b) service is popular and badly needed; its continuation and probable extension seem desirable but financial arrangements will need adjustment.

## FAR EAST REGION

### 38 Regional summary

(1) Capital approved for eight projects in Federation of Malaya, Singapore and North Borneo £16,043,000; employed £13,528,000.

(2) Malayan independence has dominated the year; it has been a pleasure to CDC to work with the Federal elected Government; CDC was asked to help—not only financially—in three main lines of economic development, for which Government is working out plans—housing, agriculture, industry; and is very glad to do so.

(3) Malaya Borneo Building Society, originally wholly owned, increased its mortgage assets by more than 50% to M\$53,130,768 (£6,198,590) without increase of CDC investment; an example of pioneering in which local funds are now mobilised to match CDC money twice over; still quicker expansion with more local money is arranged for 1957.

(4) Malaya's Federal Land Development Authority, mentioned as in outline design last year, was established on 1.8.56, with CDC's Regional Controller as first chairman at request of elected Minister; planning for several projects is well ahead; CDC has agreed to contribute £600,000; Regional Controller also reported for Government on future of Rural and Industrial Development Authority, spending May 1956 on this task.

(5) Efforts sponsored by CDC to establish a sound instrument to assist Malayan industry, abortive in 1955, are now materialising; agreement was reached in principle with Federal Government, banks, and insurance companies to establish a Malayan Industrial Development Corporation in 1957.

(6) In Singapore, the factory development project has entered a second phase; in partnership with Singapore Improvement Trust, which provides prepared land and services, 25 small factory units will be built for small manufacturers.

(7) In North Borneo hemp disease appears at last to have been brought under control on Borneo Abaca Estates and eradicated areas are being replanted; rubber replanting is well under way; a start made with cocoa; exports from project were worth £852,000; special attention is now being given to development possibilities in Sarawak.

(8) On Colonial Secretary's instruction CDC—with utmost regret—has abandoned all investigation of new projects in the Federation (see § 15(3)).

## SINGAPORE AND FEDERATION OF MALAYA

### 39 Central Electricity Board

(1) Since 1950, CDC lent £7,077,950, full amount of agreed loans, for construction of 80,000 kw Connaught Bridge (thermal) power station near Kuala Lumpur, formally opened in May.

(2) (a) Units sold (in million kwh):

|                       |     |     |     |     | <i>Years ended 31st August</i> |      |      |
|-----------------------|-----|-----|-----|-----|--------------------------------|------|------|
|                       |     |     |     |     | 1956                           | 1955 | 1950 |
| Industry and commerce | ... |     |     |     | 139                            | 125  | 59   |
| Mining                | ... | ... | ... | ... | 121                            | 103  | 63   |
| Domestic              | ... | ... | ... | ... | 80                             | 60   | 19   |
| Total                 | ... | ... | ... | ... | 340                            | 288  | 141  |

(b) Revenue increased by 16% over 1955; costs per unit sold by 1.3%.

(3) Principal transmission and distribution system is in Selangor, Negri Sembilan and Malacca; it handles nearly half public electricity supplies of Malayan Federation.

(4) CDC is represented on board by Regional Controller.

### 40 Federal Land Development Authority

(1) Statutory authority of 1.8.56 to promote and carry out projects for agricultural development and settlement in Malaya in association with local development boards and corporations; Federal Government contributing M\$10m; CDC £600,000 (slightly over M\$5m) on loan guaranteed by Federal Government; CDC loan repayable over 33 years.

(2) With CDC's cordial agreement, as already mentioned Regional Controller (Far East) appointed by Federal Government as first chairman.

(3) Planning for several projects well in hand; pilot schemes in Kelantan, Kedah and Malacca should start 1957.

(4) No drawings at 31.12.56.

### 41 Kulai Oil Palm Estate

(1) Planted acreage 1,272 pre-war palms, 3,075 planted 1951/54, 262 in 1956; total 4,609; total planned about 5,000 acres; 1952 areas came into first bearing during year.



- (2) (a) Production affected by two-month strike of all labour due to dispute between union and one contractor, but still good at 762 tons oil (estimate 744 tons) though less than 1955 (839 tons) which was an unusually good year in Malaya; kernel production fell to 147 tons (197 tons in 1955) partly because of new young areas harvested;  
 (b) average sales price of oil £80·8 per ton (£75·5 in 1955);  
 (c) profit £1,900 (£7,315 in 1955); unlikely to improve till 1958 when more new plantings mature.
- (3) Construction of new factory made good progress but strike put back completion to May 1957.
- (4) (a) Terrorist activities still hamper normal operations;  
 (b) labour is settling down after strike;  
 (c) new manager appointed.
- (5) Separate factory company being formed as part of scheme to encourage more extensive planting of oil palms in South Johore by neighbouring smallholders and estates whose fruit would be processed in factory.
- (6) Capital at 31.12.56 £855,636.

#### 42 Malaya Borneo Building Society Ltd

(Federal & Colonial Building Society Ltd in 1955 report)

- (1) (a) Issued capital M\$20m, of which CDC held M\$15m (£1,750,000) and Federation Government M\$5m;  
 (b) loan finance totalled M\$26·68m, of which CDC M\$5·85m (£682,500) and Hongkong & Shanghai Banking Corporation M\$20·83m (out of agreed loan of M\$30m);  
 (c) short-term fixed deposits M\$5m included M\$4·5m from Federal Housing Trust;  
 (d) total CDC participation thus remains M\$20·85m (£2,432,500); M\$5m converted from loan to shares in 1956;  
 (e) table shows growth of local investment following original CDC initiative—

|      |     |     |     |     | Cumulative investment |            |            |
|------|-----|-----|-----|-----|-----------------------|------------|------------|
|      |     |     |     |     | CDC                   | Local      | Total      |
|      |     |     |     |     |                       |            |            |
|      |     |     |     |     | M\$                   | M\$        | M\$        |
| 1950 | ... | ... | ... | ... | 2,300,000             | —          | 2,300,000  |
| 1951 | ... | ... | ... | ... | 7,750,000             | —          | 7,750,000  |
| 1952 | ... | ... | ... | ... | 13,449,250            | —          | 13,449,250 |
| 1953 | ... | ... | ... | ... | 16,668,700            | —          | 16,668,700 |
| 1954 | ... | ... | ... | ... | 18,630,000            | 2,852,269  | 21,482,269 |
| 1955 | ... | ... | ... | ... | 20,850,000            | 13,232,639 | 34,082,639 |
| 1956 | ... | ... | ... | ... | 20,850,000            | 30,850,562 | 51,700,562 |

- (f) Federal Government is subscribing additional M\$5m for shares, at about 6% premium.

(2) (a) Progress here shown:

|              | Applications approved |          | Mortgage advances outstanding |          |
|--------------|-----------------------|----------|-------------------------------|----------|
|              | Number                | Amount   | Number                        | Amount   |
|              |                       | M\$000's |                               | M\$000's |
| 1950 ... ..  | 220                   | 4,053    | 114                           | 1,986    |
| 1951 ... ..  | 613                   | 9,106    | 531                           | 6,791    |
| 1952 ... ..  | 404                   | 6,797    | 914                           | 12,665   |
| 1953 ... ..  | 316                   | 3,533    | 1,236                         | 16,537   |
| 1954 ... ..  | 1,056                 | 10,819   | 1,975                         | 22,700   |
| 1955 ... ..  | 2,057                 | 21,205   | 3,578                         | 35,308   |
| 1956 ... ..  | 2,856                 | 29,459   | 5,636                         | 53,131   |
| Total ... .. | 7,522                 | 84,972   |                               |          |

(b) rate of interest to borrowers  $6\frac{1}{2}\%$  (increased to  $7\%$  on 1.1.57);

(c)  $43\%$  of Society's mortgage asset and  $65\%$  of advance commitments are in Federation.

(3) Society has strong local board; chairman is Singapore manager, Hongkong & Shanghai Banking Corporation.

(4) Society is agent or manager for five staff housing loans schemes (Government of Singapore, Singapore City Council, University of Malaya, Singapore Improvement Trust and Currency Commission Board); Society invests funds on security of landed properties within conditions of Trustees Ordinance as agent of Federation Employees' Provident Fund Board and of Singapore Central Provident Fund Board.

(5) Society's accounts show continued expansion, increased earnings and progressive but conservative distribution:

|             | Net profit<br>(after tax) | Dividends |                      | Revenue reserves<br>at year end |
|-------------|---------------------------|-----------|----------------------|---------------------------------|
|             |                           | Rate      | Amount<br>(less tax) |                                 |
|             | M\$000's                  |           | M\$000's             | M\$000's                        |
| 1950 ... .. | (loss 17)                 | —         | —                    | (loss 17)                       |
| 1951 ... .. | 99                        | —         | —                    | 82                              |
| 1952 ... .. | 324                       | $3\%$     | 163                  | 243                             |
| 1953 ... .. | 456                       | $4\%$     | 230                  | 470                             |
| 1954 ... .. | 577                       | $5\%$     | 315                  | 732                             |
| 1955 ... .. | 681                       | $5\%$     | 418                  | 994                             |
| 1956 ... .. | 991                       | $6\%$     | 793                  | 1,192                           |

(6) (a) Operations in Borneo have started on a small scale, in particular assisting reconstruction of Sandakan after disastrous fire;

(b) at Petaling Jaya, Malaya's new town, Society was town authority's agent for placing house building contracts; these houses, selling at M\$5,000 (£583) open home ownership to artisan class;

(c) new arrangements made in 1956 for both Singapore and Federation Governments to share additional risk in advancing, for houses under M\$8,000,  $90\%$  of valuation instead of normal  $80\%$ ;

(d) following continued growth of business in Federation of Malaya, Society has acquired sites for offices in Kuala Lumpur, Ipoh and Penang.

### **43 Malayan Cocoa Ltd**

(1) 521½ acres of Malaya's first cocoa estate are now planted, completing current planting programme 15 months ahead of schedule; further planting awaits evidence of commercial yields from present trees.

(2) Cocoa promises well; growth and health compare favourably with similar plantings in West Africa, while diseases common in West Africa and other cocoa regions have not so far appeared in Malaya.

(3) Malayan Cocoa Ltd has contributed management, planting material and experience which has enabled United Cocoa Development Co Ltd (see §45) to start well.

(4) Authorised capital M\$2m (£233,333); issued capital M\$1,200,000 (M\$960,000 paid at 31.12.56) equally shared by Cadbury Bros Ltd, Harrisons & Crosfield Ltd and CDC.

### **44 Singapore Factory Development**

(1) Emphasis in 1956 was on small industries; partnership arranged with Singapore Improvement Trust in developing six-acre site in Alexandra Road industrial area; Trust will provide developed sites, CDC loans for factory construction; 25 factory units are planned of which the first 16 will be constructed early in 1957.

(2) Development of original 52-acre site at Bukit Timah, Singapore, has stopped after 24½ acres sold; political and economic factors restricted large scale industrial developments in last three years.

(3) (a) Net revenue for year £4,383;

(b) capital at 31.12.56 £133,107.

### **45 United Cocoa Development Co Ltd**

(1) Company incorporated 24.9.55; promoters were Cadbury Bros Ltd, Harrisons & Crosfield Ltd, CDC and Van Houten & Zoon NV.

(2) Authorised capital £200,000 in £10 shares, 16,000 issued (£5 paid); shareholders are chocolate manufacturers and members of confectionery trade in UK and elsewhere.

(3) 99-year lease of about 1,000 acres in Trengganu State on Jerangau Road about four miles from Malayan Cocoa Ltd estate.

(4) (a) 123 acres cleared and planted and doing well; excellent progress for first full year;

(b) 220 acres more should be planted in 1957/58 season.

(5) CDC had 2,119 shares, £5 paid (£10,595) at 31.12.56.

## **NORTH BORNEO**

### **46 Borneo Abaca Limited**

(1) (a) Issued capital M\$17,142,900 (£2m); M\$16,714,300 (£1,950,000) held by CDC and M\$428,600 (£50,000) by Harrisons & Crosfield Ltd;

(b) CDC loan account reduced from £794,228 at end 1955 to £654,273 at 31.12.56;

(c) Company's estates are in three widely separated groups:

(i) main block at Tawau is 17,000 acres Kuhara rubber estate (12,800 acres planted) and 8,000 acres Table abaca estate (1,784 acres planted);

(ii) Balung estate, 755 acres abaca, 20 miles east of Tawau;

(iii) Mostyn estate of 5,500 acres (793 acres planted abaca) is on north coast of Semporna Peninsula, 100 sea miles from Tawau.

(2) *Abaca (hemp)*

(a) Area under cultivation 31.12.56:

| <i>Estate</i> |     |     |     |     |     | <i>Mature<br/>acres</i> | <i>Immature<br/>acres</i> |
|---------------|-----|-----|-----|-----|-----|-------------------------|---------------------------|
| Table         | ... | ... | ... | ... | ... | 1,118                   | 666                       |
| Balung        | ... | ... | ... | ... | ... | 720                     | 35                        |
| Mostyn        | ... | ... | ... | ... | ... | 766                     | 27                        |
|               |     |     |     |     |     | <hr/> 2,604 <hr/>       | <hr/> 728 <hr/>           |

Table immature area includes 493 acres new planting in 1956;

(b) 1956 crops were 1,589 tons Table, 387 tons Balung, 356 tons Mostyn—total 2,332 tons (2,647 tons in 1955); decrease is wholly due to smaller mature acreage resulting from 1955 disease eradications;

(c) bunchy top disease was greatly reduced by stronger control measures; the almost disastrous epidemics of 1954 and 1955 were avoided; control believed established at Table and Balung but not yet at Mostyn; much now depends on efficient government control over neighbouring banana growth;

(d) there were economies in production costs and improvements in quality; much help on processing problems from leading UK brokers and rope manufacturers;

(e) export duty reduced from 10% to 5% *ad valorem* from 1.1.57; reduction is welcome to this difficult pioneer industry; but duty is still high compared with what other hard fibre producers are charged elsewhere;

(f) trading loss was £21,772, after charging export duty £25,876 and amortization of plantations £23,775, to which must be added book value of eradicated areas written off £30,775 giving an overall loss of £52,547, an improvement of £161,150 on 1955;

(g) despite present small acreage and extraordinary expenditure on disease control, Table almost broke even; Balung showed a small profit; trading loss almost entirely due to Mostyn.

(3) *Rubber*

(a) Rubber had another good year; record crop of 5,247,781 lbs (1955—5,180,000 lbs); efficient management is progressively reducing costs;

(b) new planting and replanting operations further accelerated; 320 acres of jungle extension planted; 218 acres replanted; 430 acres clearing in progress;

(c) trading profit was £187,618 (£231,642 in 1955) after charging £50,576 export duty and £35,000 for replanting provision which now has credit balance of £154,833; reduced profit due to lower average selling price 25.82d per lb fob (27.31d per lb fob in 1955).

(4) *Cocoa*

(a) Programme is to plant pilot estate of 600 acres by end of 1958; first commercial planting of cocoa in North Borneo;

(b) during year 68 acres were planted out; early difficulties in nursery technique overcome;





Established young cocoa trees of  
Malayan Cocoa Ltd., Trengganu,  
growing well in jungle shade.



Typical bungalows on Serangoon Garden Estate, Singapore. This estate was developed by a private company with help of finance from Malaya Borneo Building Society, Ltd. ; majority of house purchasers received loans through Society.

(c) by end 1957 about 300 acres of amelonado should be planted as planned, seed gardens of Upper Amazon clones and budwood nurseries of various high yielding selections established.

(5) *General*

(a) Sales of abaca £299,968 (1955 £232,937) and rubber £552,039 (1955 £581,646) resulted in overall profit of £83,905 compared with losses of £46,391 in 1955 and £161,547 in 1954;

(b) management and staff are to be commended for first substantial profit (though small in relation to capital) since trading started in 1948;

(c) negotiations with prospective associates for formation of a new company to develop Mostyn Estate continued without result; despite great natural potential, private enterprise is not much interested in agricultural plantation development in North Borneo.

## EAST AFRICA REGION

### 47 Regional summary

(1) Capital approved for 15 projects (two new) in Kenya, Tanganyika and Uganda is £15,484,000; employed £11,806,000.

(2) New projects are: (a) a much needed new hotel at Mombasa; (b) expansion and development programme of leading flour milling business owned by Kenya Farmers' Association.

(3) Two mining projects—Macalder-Nyanza Mines Ltd and Kilembe Mines Ltd—came into production. Interdependence of different kinds of development was evident to all present at opening ceremonies of Kilembe mine and Kasese railway extension (208 miles west of Kampala); West Uganda is now opened up for general development; British East African territories are linked with the Congo.

(4) Mining projects, by giving impetus to local economy, should lead to further development.

(5) In East Africa, as elsewhere, there is a vast gap between development needs—as shown by official plans—and development finance. Adequate consultation is more than ever necessary between all responsible interests, including local development corporations, to ensure right priorities and maximum effect of all available money.

(6) Projects under consideration cover both agricultural and industrial development.

## KENYA

### 48 Coastal Hotels Ltd

(1) At request of Kenya Government CDC has agreed to contribute towards cost of building and equipping new 62-bedroom hotel at Mombasa to encourage tourist trade and to meet existing shortage of hotel accommodation.

(2) Hotel estimated to cost £250,000; CDC contribution—secured loan £125,000 repayable over ten years, balance of cost being contributed by sponsors, Lakha Brothers, who own and operate Imperial Hotel, Kampala.

(3) No drawings at 31.12.56.

### 49 East Africa Industries Ltd

(1) (a) Present business is oil refining and manufacture of margarine and other edible oil products; an industry processing local raw materials for local consumption;



- (b) preliminary work on erection of soap factory started;
- (c) ordinary shareholders are Unilever Ltd 50%, CDC 33 $\frac{1}{3}$ %, Industrial Development Corporation (Kenya Government) 16 $\frac{2}{3}$ %.
- (2) CDC holding remains at £255,000 (cost £275,000); loan increased by £5,000 to £100,000.
- (3) Net profit £44,304 on sales totalling £416,525 (£25,187 on £316,138 in 1955); margarine sales have steadily risen.
- (4) With agreement in January 1957 for sale of 11 $\frac{1}{2}$  adjoining acres, disposal of assets not required for Company's operations is almost completed.

## **50 Kenya Housing Authority**

- (1) £2m loan to Kenya Government for municipal and private housing programmes for Africans; repayment 1960–1984.
- (2) About £1m will be used for 5,000 houses in Nairobi; tenders invited for first neighbourhood unit of 1,400 houses there; £250,000 will be used on employers' housing schemes in Nairobi; other large schemes in Mombasa and Nakuru, many smaller ones throughout Colony.
- (3) Drawings resumed (see 1955 § 52) following passing of Overseas Resources Development Act, 1956.
- (4) Drawn at 31.12.56 £950,000; drawings probably completed in 1958.

## **51 Kenya Meat Commission**

- (1) £250,000 loan (1955) to Kenya Meat Commission to expand undertaking; repayment by 20 annual instalments.
- (2) Kenya Meat Commission, a statutory body, owns and operates abattoirs; it buys slaughter stock and markets meat and by-products.
- (3) CDC is represented on Commission board by its Regional Controller.
- (4) Outstanding at 31.12.56 £237,500.

## **52 Kenya Power Co Ltd**

- (1) (a) Authorised and issued share capital EA shgs 2,000 (£100) owned equally by Government of Kenya, Power Securities Corporation Ltd and East African Power & Lighting Co Ltd;
- (b) £7.5m 5 $\frac{1}{2}$ % debenture stock, of which CDC £3.5m; balance by public.
- (2) Company has bulk supply licence for 50 years from 8.6.55 to supply East African Power & Lighting Co Ltd, distributors for Nairobi and parts of western Kenya.
- (3) Power is generated at hydro-electric stations at Tana and Wanjii; Company has also contracted to buy Owen Falls power from Uganda Electricity Board; is building 250-mile transmission line from Uganda to Nairobi; at 31.12.56 434 towers completed; foundations for 742 more finished.

## **53 Macalder-Nyanza Mines Ltd**

- (1) (a) Issued capital 700,000 shares of 20 EA shgs (£700,000) of which CDC hold 65.7%, Kilembe Mines Ltd 28.6%, other interests 5.7%;
- (b) balance of finance by CDC on loan £1,639,333 at 31.12.56.
- (2) (a) Mine preparation and treatment plant construction finished except for sponge iron section, held up by manufacturing delays;



- (b) hydro-electric construction well under way; power should be available by September 1957; every effort is being made to improve on this date.
- (3) (a) Mine and mill started (on diesel power) on time end March 1956; roast-leach plant in August; copper is being precipitated on scrap iron till sponge iron plant ready;
- (b) Dorr fluosolids roaster had considerable initial troubles but is now working almost at rated capacity owing to manufacturer's efforts;
- (c) mine and mill, which reached full production rate of 10,000 short tons a month in October, had to be checked on account of low roaster throughput.
- (4) (a) Results to 31.12.56 in short tons—ore mined 72,381, milled 63,256; concentrates roasted 7,193, copper metal precipitated in cement-copper 395; estimated recoverable copper in process 1,140;
- (b) gold and silver in process estimated 3,220 and 51,800 oz troy respectively;
- (c) no products marketed at 31.12.56;
- (d) results for first period's working show loss of £77,168 before charging interest due CDC of £20,874.
- (5) (a) Owing to complexity of ore, Company is a high cost producer;
- (b) efficiency will need to be increased if, with copper at £240–250 per ton, a margin is to be earned to service capital.

#### **54 Unga Ltd**

- (1) This subsidiary of Kenya Farmers' Association Co-operative Ltd, is a large flour miller in East Africa; issued share capital £1,550,000.
- (2) In 1956 CDC agreed:
- (a) to take up £250,000 shares at par;
- (b) to make secured loan of £600,000; repayment 1959–1971.
- (3) Development programme for 1957/58 costing over £1,600,000 includes new mills at Nakuru and Dar-es-Salaam, maize milling plant at Eldoret, wheat silo and extensions to flour milling plant at Nairobi, and housing for European and African staff.
- (4) CDC is represented on board by Regional Controller.
- (5) At 31.12.56 CDC had taken up £250,000 shares; £450,000 drawn.

### **TANGANYIKA**

#### **55 Liganga Iron Ltd**

- (1) Authorised capital 600,000 EA shgs (£30,000), of which 32½% (£9,750) will eventually be held by CDC, balance by Frobisher Ltd of Canada, Anglo-American Corporation of South Africa Ltd and Tanganyika Government.
- (2) No work by Company in 1956; Tanganyika Geological Survey is doing additional drilling.
- (3) Spent to 31.12.56 £39,260.

#### **56 Mbeya Exploration Co Ltd**

- (1) (a) Authorised and issued capital 2,000 shares of EA shgs 20 each (£100), N.V. Billiton Maatschappij of The Hague 70%, CDC 30%;
- (b) balance by loans from N.V. Billiton Maatschappij and CDC in same proportion; at 31.12.56 CDC £140,170.

- (2) (a) Company is investigating pyrochlore (niobium ore) deposits north of Lake Nyasa;
- (b) N. V. Billiton Maatschappij are consulting engineers and managing agents.
- (3) (a) Second stage—expected duration three years—further detailed geological survey and prospecting, diamond drilling, underground development and metallurgical research—started 1.1.56;
- (b) progress generally good; indicated ore reserves 45 million tons at 0.3% niobium pentoxide, one million tons at about 1.0%; drilling being increased in 1957;
- (c) 150 ton per day pilot mill designed and shipped; erection started; completion expected about August 1957;
- (d) ten miles of road, diesel power station, workshops, store, laboratory and office—all completed; African and European staff housing programme well under way.
- (4) Power consultants investigated potential hydro-electric sites; report and economics of alternative power sources, including Kivira-Songwe coalfield (see Rungwe Coal § 57) under consideration.

## 57 Rungwe Coal Company

(Kivira-Songwe Coalfield Investigation in 1955 report)

- (1) (a) Company, in formation, is investigating Kivira-Songwe coalfield in Rungwe district, south-west Tanganyika, for power requirements of Mbeya Exploration Company Ltd (see § 56);
- (b) shareholding will be CDC and N. V. Billiton Maatschappij 43 $\frac{3}{4}$ % each, Tanganyika Government 12 $\frac{1}{2}$ %;
- (c) additional finance by loan equally by CDC and N. V. Billiton Maatschappij;
- (d) CDC are managing agents.
- (2) (a) Stage I (geological investigation) completed to schedule in June showed two workable areas; Stage II (detailed geological mapping and diamond drilling) in progress;
- (b) 3,774 ft diamond drilling indicated nine million tons reserves at 31.12.56; Greenwich Fuel Research Station is analysing cores;
- (c) samples from one seam produced good metallurgical coke, first in East Africa.
- (3) Spent at 31.12.56, £40,874; CDC share, £25,874.

## 58 Tanganyika Coalfields Ltd

- (1) (a) Authorised capital 2,000,000 EA shgs (£100,000); CDC 35 $\frac{1}{2}$ % £35,000; rest by Anglo-American Corporation of South Africa Ltd, Frobisher Ltd of Canada and Tanganyika Government; only subscribers' shares issued at 31.12.56;
- (b) balance of consideration to CDC by issue of unsecured notes.
- (2) Development still awaits railway.
- (3) (a) Interdepartmental working party appointed July 1956 by UK Government to examine possibility of utilising African (including Tanganyika) coal in UK;



*Kenya Information Department*

General view from the air of  
Macalder-Nyanza Mine, Kenya.





*Tanganyika Public Relations Department*

On the 30,000 acres Wattle Estate  
near Njombe, Tanganyika.



(b) CDC representatives gave evidence on Tanganyika coal 6.9.56—tonnages of reserves, quality, capital for collieries to produce two million and five million tons a year estimated, also mining costs and pithead prices;

(c) summarised findings announced 25.2.57 said that in view of transport costs and difference in quality it was unlikely that African coals would be competitive in UK with American; also uncertainties as to long-term UK requirements would not justify Government capital expenditure; but European governments would be informed of potential supplies available from Africa;

(d) as to quality of Tanganyika coal—over 1,200 analyses carried out by Greenwich Fuel Research Station of Department of Scientific and Industrial Research showed average calorific value of coal from main field—Mchuchuma—to be 12,800 BTU/lb; American coal now being imported to UK is reported to average 13,000 BTU/lb;

(e) European groups have recently shown interest in this coal which can almost certainly compete with US coal in the Mediterranean area, whatever the position in UK.

(4) Rungwe Coal Company in formation (see § 57) is being separately investigated.

(5) Spent at 31.12.56 £458,545.

## **59 Tanganyika Wattle Estates**

(1) 33,000 acres under wattle for tanning extract; planting programme now complete; project at present wholly owned by CDC but private enterprise associate will participate financially and take over management when production stage reached; Tanganyika Government given option to participate.

(2) Better rains in 1955/56 had markedly beneficial effect on trees especially older ones; sampling over older plantations showed that present long-term estimates of bark yields are reliable.

(3) Work continued on factory houses and labour quarters; latter now complete; factory foundations nearly so but arrival of factory equipment upset by Suez.

(4) Investigations continued for alternative uses for wattle extract (in view competition by synthetic leather not using tanning extract) and for waste wattle wood (about 50,000 tons annually).

(5) Bena Wattle Scheme received enthusiastic support from local African growers; 1,500 acres planted by CDC in 1956 and 2,500 acres ploughed ready for sowing in early 1957; inter-cropping with cereals between rows of young wattle in first year is added attraction; 380 tons locally grown bark bought from private growers for export.

(6) Spent at 31.12.56 £944,207.

## **60 Tangold Mining Co Ltd**

(1) (a) New Consolidated Gold Fields Ltd are technical advisers;

(b) CDC and NCGF agreed in July, on recommendation from technical advisers, that mine be brought into production; construction stage estimated at two years.

(2) (a) Authorised capital increased by 350,000 shares to 600,000 shares of 20 EA shgs each (£600,000); 500,000 issued at 31.12.56, held equally by CDC and NCGF;

(b) additional finance up to £700,000 by CDC loan.

- (3) (a) Construction started 1.9.56—housing for staff and labour, sinking of new shaft;  
 (b) on recommendation of technical advisers, secondhand mining, milling and power plant bought from Taquah & Abosso Mines Ltd in Ghana; being dismantled and reconditioned for transfer to East Africa.
- (4) Spent by Company at 31.12.56 £459,162.

#### **61<sup>1</sup> Williamson Diamonds Ltd**

- (1) CDC agreed in 1955 to lend £500,000, if called on, to assist extensive mechanisation of mine.
- (2) Nothing drawn at 31.12.56 nor to date of signing.

### **UGANDA**

#### **62 Kilembe Mines Ltd**

- (1) (a) Issued capital increased by 700,000 shares to 5,700,000 shares of 20 EA shgs each (£5.7m) of which Kilembe Copper Cobalt Ltd of Toronto 70%, CDC 20%, and Uganda Development Corporation 10%;  
 (b) balance of finance £2,100,000 of which CDC has lent £750,000 against 6% debenture and £300,000 against 6% unsecured notes.
- (2) Frobisher Ltd, Toronto, are consulting engineers and general managers.
- (3) (a) Mine and mill started in June, reached full production rate of 40,000 short tons in November; total ore mined 199,003 short tons; milled 193,695 short tons;  
 (b) Dorr fluosolids roaster at Kasese started October; is experiencing initial troubles;  
 (c) estimated cost and economics of cobalt plant being reviewed; meanwhile cobalt concentrates stockpiled.
- (4) Mobuku hydro-electric station finished June; gives 10% more power than estimated.
- (5) Smelter at Jinja started November; 150 long tons blister copper produced.
- (6) In November Governor performed opening ceremonies of railway extension to Kasese, and of Company's mine and mill at Kilembe and its smelter at Jinja.

### **CENTRAL AFRICA REGION**

#### **63 Regional summary**

- (1) Capital now approved for seven projects is £22,002,000; employed £5,160,000.
- (2) Kariba construction made a splendid start and is well up to schedule (CDC share of finance £15m); it will open up great possibilities of further development in Federation in which CDC would be glad to help.
- (3) 1956 Act is read in such a way by Colonial Office as practically to exclude CDC from standing in on projects sited in Southern Rhodesia; this has already caused a lot of trouble (see § 12).
- (4) In Nyasaland were three agricultural and forestry projects—Kasungu Tobacco Estates, Vipya Tung Estates and Nyika Forestry Development Syndicate.

(5) Despite satisfactory growth in trial plots on Nyika, Syndicate decided since 31.12.56 to withdraw from the investigation for reasons given in project report (see § 69).

(6) African smallholders will soon be associated with the Kasungu tobacco project. CDC is also interested in the great possibilities of the Shire Valley scheme.

## FEDERATION OF RHODESIA AND NYASALAND

### 64 Central African Airways Corporation

(1) £1,750,000 loan (1954) for purchase of five Vickers Viscount aircraft and spares. Drawing of loan completed in 1956; repayable by annual instalments 1959 to 1966.

(2) Loan is secured on Central African Airways assets and guaranteed by Government of Federation.

(3) CDC is represented on board by Regional Controller.

(4) Aircraft entered service in 1956; used on both internal and external routes, including twice-weekly London–Salisbury–Johannesburg service—longest route in world operated by Viscounts.

### 65 Federal Power Board (Kariba)

(1) (a) £15m loan to Federal Power Board guaranteed by Government of Federation of Rhodesia and Nyasaland to help build first stage of Kariba hydro-electric project on Zambezi River;

(b) estimated cost first stage about £80m;

(c) other finance from International Bank for Reconstruction and Development, Commonwealth Development Finance Co Ltd and Federation Government (mainly from loans by Rhodesian copper mining companies, British South Africa Company, Standard Bank of South Africa Ltd and Barclays Bank DCO).

(2) First stage involves building 416 ft high arch dam and 500,000 kw underground power station with transmission network to Northern Rhodesia copperbelt and to Salisbury, Bulawayo and other places in Southern Rhodesia.

(3) (a) Majority of contracts out by October 1956; progress generally on schedule;

(b) one coffer dam completed; excavations for diversion channel, main dam, underground power station and main access tunnel well on; temporary power station building finished;

(c) model tests to study river diversion, flood discharge through dam and dam structure continued in Grenoble, Paris and Harlow;

(d) housing progress good; houses for 3,850 single Africans and 227 families completed; hospital nearly so; main water supply and electricity distribution systems commissioned;

(e) good progress on roads; bridges over Nyanyana and Zambezi Rivers completed; four others under construction;

(f) sites for main sub-stations in Southern Rhodesia located; studies of transmission system network and preliminary siting of transmission line routes by ground and air survey continued.

(4) £750,000 drawn 31.12.56.

## NORTHERN RHODESIA

### 66 Chilanga Cement Ltd

- (1) (a) Authorised capital 1,500,000 £1 ordinary shares and 500,000 £1 5% cumulative preference shares; issued 1,500,000 ordinary and 300,000 preference shares of which 30,000 preference shares redeemed during year;  
 (b) CDC holds 600,000 ordinary and 202,500 preference; balance of ordinary shares held by Northern Rhodesia Government, The Premier Portland Cement Company (Rhodesia) Ltd (Company's general managers), Rhodesian Anglo-American Ltd and British South Africa Company;  
 (c) loan capital at 31.12.56, £180,000 of which CDC £72,000.
- (2) (a) Second kiln in operation 25.5.56;  
 (b) production 124,298 tons (89,768 in 1955); net profit before special write offs and tax £285,797 (£226,996 in 1955).
- (3) Quarrying operations now concentrated at Shimabala; new seven mile road laid.
- (4) Negotiations with Federal Power Board for supply of cement for Kariba are at advanced stage (see § 65).

## NYASALAND

### 67 Kasungu Tobacco Estates

- (1) In 1955/56 season 380 acres flue-cured tobacco were grown (345 in 1954/55).
- (2) (a) Heavy rains damaged crop and delayed harvesting; but yield was estates' best so far at 832 lbs per acre (587 lbs in 1954/55); improvement is attributed to early planting (before rains) reducing incidence of disease and enabling crop to stand up better to bad weather;  
 (b) average prices realised were:
 

|                          | 1955/56 | 1954/55 |
|--------------------------|---------|---------|
| CDC ... ..               | 31.68d  | 35.23d  |
| Nyasaland average ... .. | 23.05d  | 27.42d  |

 realisation per acre was £105 (£86 in 1954/55);  
 (c) result of 50-acre burley tobacco experiment was disappointing because of bad weather and priority given to flue-cured crop.
- (3) 1956/57 planting is 360 acres flue-cured of which 70 acres planted before the rains; burley tobacco experiment continues on 20 acres.
- (4) Plans are being considered for gradual expansion of acreage over next few years; and a scheme for tobacco cultivation by African smallholders in association with project is to be started.
- (5) (a) Profit £1,187 (£9,021 loss in 1955);  
 (b) spent at 31.12.56 £190,760.

### 68 Nyasaland African Housing

- (1) Loan of £1m to Nyasaland Government for African housing schemes in Blantyre-Limbe area to relieve housing shortage.
- (2) CDC loan to cover cost of about 2,500 houses for lease or sale on deferred terms.





*deral Information Department*

Harvesting in progress at Kasungu  
Tobacco Estates, Nyasaland.



*Federal Information Department*

New African houses near Salisbury in  
Southern Rhodesia.



(3) Loan repayable over 30 years.

(4) No drawings at 31.12.56.

## **69 Nyika Forestry Development Syndicate**

(1) CDC, with Imperial Tobacco Co Ltd and Albert E. Reed & Co Ltd, continued investigation begun in 1952 of possibilities of softwood afforestation on Nyika plateau and manufacture of pulp or paper.

(2) Trial plots on the Nyika proved that pine trees would grow well. But when negotiations between Syndicate and Nyasaland Government were resumed in November difficulties inherent in the long-term leasing of a large area of African Trust land, on top of the well recognised risks of a project such as this, led the Syndicate to conclude that the project must be discontinued—greatly to common regret.

(3) Disposal of trial plantations and camp under discussion with Government.

(4) Syndicate funds £84,000 (CDC one-third); spent at 31.12.56 £64,225.

## **70 Vipya Tung Estates**

(1) (a) 4,535 acres of tung established at 31.12.56;

(b) additional 1,465 acres to be established in next two or three years, making 6,000 acres;

(c) 168 tons of nuts (mill weight on dry basis) were harvested (147 tons in 1955) estimated to produce 56 tons of oil.

(2) Tung processing factory will start production May/June 1957.

(3) (a) Experiments with coffee justify expansion;

(b) 43 acres established at 31.12.56; 86 acres being planted 1956/57 season (mainly amongst tung);

(c) sample of product given good report by London brokers.

(4) Nyasa Tea Estates Ltd are managing agents.

(5) Net operating loss of £4,137 from 426 acres of eight year old tung, barely mature; profits not to be expected till more of estates in full bearing and factory capacity fully utilised.

(6) Spent at 31.12.56 £845,083 including £213,423 written off on reorganisation 1955.

## **SOUTHERN RHODESIA**

### **71 Southern Rhodesia African Housing**

(1) £1m loan (1955) to Southern Rhodesia Government to help finance urban schemes for African housing; repayment 1966–1985.

(2) (a) First scheme (2,413 houses) at Salisbury nearing completion; houses are built for sale at average price £337; average monthly payment by purchasers £3.7.0 over 25 years (including interest and local rates); arrangement provides security of tenure for Africans on 99 year leases;

(b) second scheme is at Bulawayo (about 1,400 houses under construction); further schemes being planned for Gwelo and Que Que.

(3) Drawings were resumed (see 1955 § 71) following passing of new Act 1956.

(4) Drawn at 31.12.56 £750,000.

## HIGH COMMISSION TERRITORIES REGION

### 72 Regional summary

#### *Bechuanaland Protectorate*

(1) The five cattle projects—for which £3,007,000 capital was approved, £1,807,000 employed—continued to make a significant contribution to country's major industry; Lobatsi Abattoir ensured orderly marketing of Protectorate's cattle throughout a difficult year in which meat controls were relaxed in two chief markets, South Africa and the Central African Federation.

(2) CDC perseveres with plans for local association—in abattoir by formation of a company, and with ranches through Molopo Settlement Scheme in south and Bushman Pits co-operative in north.

#### *Swaziland*

(3) The four projects (capital approved £6,733,000, employed £4,711,000) are all in a crucial phase. Vital decisions are likely to be taken in 1957 for the Irrigation Scheme where water should flow down the canal mid-year; and at Usutu Forests where recommendations of pulp/paper consultants are due soon. Proprietors of Ubombo Ranches (Pty) Ltd are installing small sugar mill to produce first sugar in Swaziland. Swaziland Cannery (Pty) Ltd after more reorganisation, is dealing with its first real pineapple crop.

(4) Swaziland is ready for great development, but depends on the Administration for necessary communications.

#### *Basutoland*

(5) CDC was on new ground in accepting Administration's invitation to help investigate Ox Bow Lake Power and Water scheme; this looks like a real job, one that would particularly interest CDC.

### 73 High Commission Printing & Publishing Co Ltd

(1) £10,000 loan secured on assets of Company and guaranteed by parent company, Bantu Press (Pty) Ltd; repayment is over ten years and began in 1955.

(2) Company publishes local language newspapers in High Commission Territories; also has printing business.

(3) Outstanding at 31.12.56 £8,000.

## BASUTOLAND

### 74 Ox Bow Lake Power and Water Investigation

(1) Basutoland Government invited CDC to join in investigating Ox Bow Lake scheme reported on by a Cape Town consultant.

(2) Scheme envisages diversion of Malibamatso River, an upper tributary of Orange River, and erection of regulating dam with five-mile tunnel to hydro-electric power station in Hololo Valley with further proposal for supplying water by pipeline to Orange Free State, which would also be natural market for power from hydro-electric station.

(3) No records of rainfall and river flow in catchment area; Government starting to collect them.

(4) Regional Controller is discussing with potential customers in Orange Free State their future requirements of power and water.



## BECHUANALAND

### 75 Bechuanaland Cattle Ranch

- (1) (a) Herd increased from 8,862 to 10,132 in 1956;  
 (b) decision to retain Nata outstation as breeding centre was confirmed by 1956 experience; Nata grazing remained good in dry season when Panda-ma-Tenga grazing was seriously reduced by lack of rain and by veldt fires.
- (2) (a) Birth rate continues to improve;  
 (b) death rate again fell and is now 6% per annum, but it is still high, particularly at Panda-ma-Tenga in dry season; net losses through straying from ranch, which used to give concern, reduced to four beasts.
- (3) (a) Sales 1,828 head, including 1,406 slaughter oxen, mainly to Northern Rhodesia; for first time sales included a few oxen bred on ranch, which realised prices much above average;  
 (b) 1,603 slaughter cattle received from Bushman Pits Ranch (see § 76) for fattening;  
 (c) 20 bulls bought, including 19 young Herefords; also 508 breeders.
- (4) (a) Trading loss further reduced:

|             |        | 1956          | 1955           | 1954           | 1953            |
|-------------|--------|---------------|----------------|----------------|-----------------|
|             |        | £             | £              | £              | £               |
| Cattle      | ... .. | 5,578         | 26,469         | 61,593         | 69,558          |
| Agriculture | ... .. | —             | —              | 6,663          | 33,202          |
| Totals      | ... .. | <u>£5,578</u> | <u>£26,469</u> | <u>£68,256</u> | <u>£102,760</u> |

(b) several years yet before full effect of present breeding strength is shown in sales.

(5) Book value is £207,373 apart from losses and amounts written off £642,438; fixed assets £89,187; net current assets £118,186 including livestock £105,410.

### 76 Bushman Pits Ranch

(Ngamiland Cattle Exporters' Association)

- (1) (a) Former outlying station of Bechuanaland Cattle Ranch, now leased to specially formed co-operative of cattle traders;  
 (b) members buy immature cattle from Ngamiland producers and graze them till ready to be fattened off by CDC (see § 75).
- (2) Development financed by CDC continued; there were 4,457 head of immature slaughter-type cattle at 31.12.56 (3,500 at 31.12.55); supervision is difficult owing to remoteness.
- (3) Facilities jointly arranged by banks and CDC for financing members' cattle were fully employed during most of 1956.
- (4) 1,603 head of cattle were taken over by CDC for final fattening on Bechuanaland Cattle Ranch under agreement with Association.
- (5) (a) Spent to 31.12.56 £17,233;  
 (b) deficit for year (administration costs and depreciation less rent and interest received) £729.

## 77 Lobatsi Abattoir

- (1) 68,715 head of cattle slaughtered (67,084 in 1955).
- (2) Meat goes to traditional markets for Bechuanaland Protectorate—Union of South Africa, Northern Rhodesia and Belgian Congo.
- (3) (a) Since end of meat price control in Union on 16.1.56 Union Meat Board has insisted on Lobatsi chilled meat being sold at auction in competition with Union freshly killed meat; for this reason and (c) below Union market is increasingly unattractive;  
(b) in 1956, as in 1955, northern markets took more meat than Union but Northern Rhodesian demand was affected by local strikes, substitution of cash payments for meat rations to African mine-workers, and by relaxation of Federal inter-territorial meat controls;  
(c) prices to producers based in 1955 on Union control prices were based from 16.1.56 on Union average auction prices (for fresh meat);  
(d) negotiations for new arrangements with both customers and producers dragged on through 1956 without reaching finality; sales to northern markets had to be negotiated from time to time on various bases; producers are reluctant to change from present arrangements (Johannesburg parity and Union grading and dressing standards);  
(e) trading conditions were thus difficult all round and are likely to continue so in 1957; but regular outlet for meat provided during a very difficult year.
- (4) Water supply eased by tapping new sources; cold room insulation difficulties are being overcome; but unsolved waste disposal problem is giving anxiety.
- (5) CDC has in mind to form a company in which local interests would be invited to participate, and to which abattoir business would be transferred.
- (6) Sales increased by 10% over 1955 to £1,889,284; net profit £60,798 (£97,943 in 1955).
- (7) Capital at 31.12.56 £655,804.

## 78 Molopo Ranch

- (1) (a) Development of ranching area continued with provision of further water supplies; 11 boreholes put down; eight struck water;  
(b) ranch now 240,000 acres, with 25 water points and 430 miles of fences;  
(c) better cattle management has contributed to improved grazing; this resulted in higher prices and increased profits.
- (2) (a) Herd strength 31.12.56 8,669 head (9,769 at 31.12.55); reduction policy of 1954 almost completed;  
(b) composition of herd brought nearer balanced proportions by purchase of 328 breeders and 83 bulls;  
(c) 601 head slaughter stock bought; some have already been sold to Lobatsi Abattoir at profit;  
(d) birth rate satisfactory, though improved breeding capacity will not be fully effective till 1957; death rate 3.4% is higher than in 1955 but still not bad;  
(e) 2,886 slaughter oxen sold to Lobatsi Abattoir, weight and grade improved and were again well above Protectorate average.
- (3) Net profit £9,008 (1955 profit £1,474).

(4) Capital at 31.12.56 £284,518 including £35,641 assets on settlement areas (§ 79).

## **79 Molopo Settlement Scheme**

- (1) Agreement in principle was reached between Protectorate Government and CDC for settlement scheme on areas vacated when Molopo Ranch was concentrated in 1955; development and improvements costs incurred by CDC will be refunded.
- (2) 71½ miles fencing erected to conserve grazing along Molopo River line.
- (3) Areas are let to graziers pending allotment of farms.
- (4) Assets and revenue included in Molopo Ranch accounts.

## **SWAZILAND**

## **80 Swaziland Cannery (Pty) Ltd**

- (1) (a) Company formed 1953 by John Heath Cannery Ltd and others in UK to operate pineapple cannery on land adjacent to Usutu Orchards;  
(b) after reconstruction 1955, issued share capital £24,000; secured loans £35,000 from Barclays Overseas Development Corporation Ltd (BODC) and £65,000 from CDC rank *pari-passu*.
- (2) (a) Disappointingly small pineapple crop meant more loss in 1956;  
(b) Swaziland Government urged CDC to assist further in keeping cannery going in interest of surrounding farmers (CDC included) who had invested heavily in plantings;  
(c) CDC records appreciation of BODC part in consequent salvage efforts.
- (3) Original shareholders could not help and withdrew; CDC/BODC negotiated Company reorganisation under which:  
(a) growers participate;  
(b) Samuel Hanson & Son Ltd, who have canning experience in South Africa, appointed managing agents 9.11.56;  
(c) further £30,000 unsecured loans subscribed by growers (£10,000), BODC (£7,000) and CDC (£13,000—bringing investment to £78,000); stock finance has, in addition, been arranged by Hansons with CDC/BODC supporting guarantee;  
(d) 21,000 of shares redistributed equally between growers, managing agents and debenture holders.
- (4) (a) 1957 pineapple season has started well but enough is not yet known about growing pineapples in Swaziland to be certain of future;  
(b) reorganisation has been a complex operation but effort and risk worth while if canning industry in Swaziland results.

## **81 Swaziland Irrigation Scheme**

- (1) Scheme to develop 105,000 acres in northern Swaziland for irrigated and dry land farming and ranching.
- (2) Komati irrigation canal, despite slow start (see 1955 § 80) should be finished in mid-1957; it will provide water for 16,000 acres; it can be enlarged to irrigate 30,000/35,000 acres, dependent on water demand of crops to be grown.

- (3) (a) Meantime rice grown (using pumped water) and cattle ranches on commercial scale, with experimental 70 acre citrus orchard and investigation of sugar and other crops;  
 (b) 1955/56 rice crop produced 1,577 short tons from 1,409 acres; incidence of red rice much reduced and quality improved;  
 (c) cattle herd, 7,699 at year end (8,011 at 31.12.55) did better though virus pneumonia caused heavy calf losses; sales 1,317 head for £33,754 (1,064 head for £24,536 in 1955);  
 (d) first export shipments of citrus were made (861 cases); fruit was well received by UK market; canning and juicing possibilities are being studied; 35,000 lb oranges and 102,000 lb grapefruit sold locally;  
 (e) sugar cane has continued to grow well; dry land and rotation crops have produced varying results; people are showing interest in this place.
- (4) (a) Plans have been made for expansion of rice, citrus and bananas in 1957 when gravity water becomes available;  
 (b) sugar planting material is being multiplied; plans for a sugar project are in hand.
- (5) Trading results:

|                                                                                              | 1956<br>£           | 1955<br>£          |
|----------------------------------------------------------------------------------------------|---------------------|--------------------|
| Gross profit/loss                                                                            |                     |                    |
| Rice ... ..                                                                                  | 8,056 <i>profit</i> | 4,952 <i>loss</i>  |
| Other crops (mainly experimental) ...                                                        | 11,189 <i>loss</i>  | 7,325 <i>loss</i>  |
| Livestock ... ..                                                                             | 2,640 <i>profit</i> | 720 <i>profit</i>  |
|                                                                                              | 493 <i>loss</i>     | 11,557 <i>loss</i> |
| Administrative charges (after apportionments to construction and general development) ... .. | 13,533              | 35,967             |
| Net loss ... ..                                                                              | £14,026             | £47,524            |

- (6) Spent at 31.12.56 £2,255,379; commitment for completion of canal stage I £430,000.

## 82 Ubombo Ranches (Pty) Ltd

- (1) £85,000 lent to Company in 1953 to develop irrigable land in Swaziland; repayable by 1973.
- (2) (a) Loan is secured on land and is guaranteed by principal individual shareholders;  
 (b) CDC is represented on board by Regional Controller.
- (3) Company has done basic development and is growing rice; a small sugar mill is being installed.

## 83 Usutu Forests

- (1) (a) Purchase of 1,437 adjoining acres brings total to 119,281;  
 (b) 80,861 acres planted at 31.12.56; due to unfavourable weather 8,851 acres planted against 12,000 programme—first time target not achieved;  
 (c) CDC is establishing forest for Swazi Nation and planted further 1,572 acres therein; 1,765 to date;





Usutu Forests : Part of the 80,000  
acre pine forest. Project office and  
workshops in centre foreground.



Swaziland Irrigation Scheme : The  
first flow over the new diversion  
weir on the Komati River, 31.10.56.

- (d) trees flourish; the oldest, six years, over 30 ft in height.
- (2) (a) 27,563 sq ft of new buildings put up; 79% for 360 African employees, 7% for African welfare;
- (b) 67 miles new road built; 317 miles to date;
- (c) small hydro-electric scheme to light and power headquarters township almost complete.
- (3) Project employs 81 Europeans and about 1,500 Africans.
- (4) (a) Pilot scale pulping tests of Swaziland pinewood now in progress in USA under supervision of Bowater Paper Corporation and CDC's consultants, Messrs Cross & Bevan;
- (b) Bowaters to advise shortly on prospects of integrating a pulpmill with sawmilling;
- (c) a railway to tap Swaziland's iron ore may ease project's transport problems.
- (5) (a) Usutu Orchards, satellite farm, now concentrates on dairy herd and beef cattle for African rations with pineapples for main cash crop;
- (b) despite virtual failure of pineapple crop due to unfavourable weather farm did much better than in previous years.
- (6) Spent at 31.12.56 £2,289,615; fixed assets and development £2,199,441; net current assets £90,174.

## TRISTAN DA CUNHA

### 84 Tristan da Cunha Development Co Ltd

- (1) Public company incorporated in South Africa with local management; authorised and issued capital £250,000; CDC holds £130,000.
- (2) In 1955/56 season (August 1955 to May 1956) catch was 22,859 cases of rock lobster tails etc—decrease of 2,046 cases on 1954/55 despite longer season; most disappointing.
- (3) 1956/57 season opened well; catch so far (23,869 cases by February 22nd) shows 38% increase over catch to same date in 1956.
- (4) (a) Accounts for 18 months to 30.6.56 disclosed loss £70,358; this is partly due to two seasonal slack periods in 18 months; but catch was poor, and there were costly repairs to vessels;
- (b) new contract, at higher prices, has been arranged for sales of crawfish tails on west coast of North America; small production of canned rock lobster on world markets, mainly to France; current accounts will show full benefit of relief from onerous welfare obligations (see 1955 § 83);
- (c) but other difficulties are bound to continue; fishing cannot continue the whole year round; nothing but rock lobster to fish for; fishing grounds, round Tristan and Gough Island, are remote from Cape Town base and from markets.
- (5) The islanders are almost devoid of interest in this job—undertaken entirely for their benefit; in particular though wages are high there is very little local recruitment; at present Company employs exclusively Cape coloured and Cape native fishermen.



## WEST AFRICA REGION

### 85 Regional summary

- (1) Activities in West Africa were extended by two new projects; at 31.12.56 capital approved £3,149,000; employed £1,953,000.
- (2) Much time and energy were given to investigating new proposals, nine major schemes at 31.12.56 with capital requests exceeding £15m; results will come slowly, some in 1957.
- (3) CDC regrets intensely having been forbidden to assist Ghana further when help is needed and would be welcome. Negotiations on six new projects (five in association with Government or its agencies) were stopped on Secretary of State's instruction (see § 15 (3)).
- (4) Federation of Nigeria is making quick political progress and urgently needs matching economic advance; scope for CDC help is considerable.
- (5) Nigeria Housing Development Society Ltd was incorporated 29.12.56 after being held up for a year waiting enabling legislation (see § 12); CDC hopes it will make a major contribution to economic stability by improving standard of living in Lagos and perhaps later elsewhere in Nigeria.
- (6) Sierra Leone and The Gambia are not overlooked; CDC seeks opportunity to help them both.

## GHANA

### 86 Coast Construction Co Ltd

- (1) (a) Authorised capital £300,000 in £1 ordinary shares; issued at 31.12.56 £100,000 held equally by CDC and Keir & Cawder Ltd;  
(b) loan finance at 31.12.56 £300,000 by CDC, £99,430 bank overdraft guaranteed by Keir & Cawder.
- (2) (a) Keir & Cawder manages Company through its associate Stirling-Astaldi (West Africa) Ltd; which also managed Mampong-Bolgatanga road contract, finished in the year;  
(b) one bridge and one road contract done, two road contracts due completion soon; two more under way.
- (3) Company worked well but profits were low in this first full year; due to drop in cocoa prices profitable volume of new work not yet in sight, but bringing Nigerian contracting companies under one management will help (see § 88).
- (4) Profit since incorporation 9.11.55 £1,656

## NIGERIA

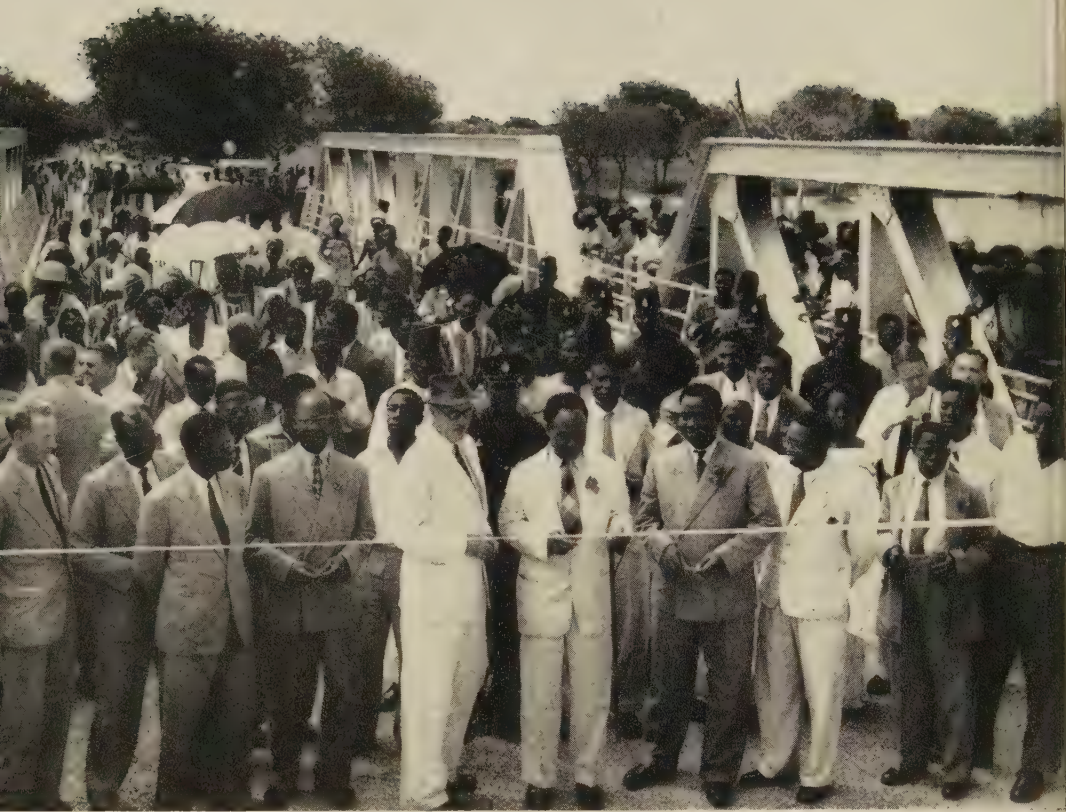
### 87 Amalgamated Engineering Co Ltd

- (1) An engineering company registered in Nigeria, with a subsidiary in Ghana, authorised capital £200,000 in £1 shares; £102,260 issued held by UK parent company.
- (2) CDC advanced £50,000 secured by debenture; £20,000 carries conversion rights.
- (3) CDC is represented on board by Regional Controller.
- (4) (a) Company produces steel structures and tanks; industry is first of its kind in Nigeria; is introducing new technical skills;  
(b) Company has had a successful year.





Swaziland Irrigation Scheme:  
Dr. W. G. Davidson, Medical Officer  
since 1951, at work outside his clinic.



Dr. Kwame Nkrumah, Prime Minister of Ghana, cutting the tape at the official opening of Nasia Bridge, Northern Territories, built by Coast Construction Ltd.

## **88 Coast Construction (Nigeria) Ltd**

(Highways Construction (Nigeria) Ltd in 1955 report)

- (1) (a) Keir & Cawder Ltd replaced Highways Construction Ltd as CDC's partners 15.7.56, thus consolidating CDC contracting operations (see § 86);  
(b) authorised and issued capital 60,000 £1 ordinary shares; held equally by CDC and Keir & Cawder;  
(c) Keir & Cawder, through its associate Stirling–Astaldi (West Africa) Ltd, manage Company;  
(d) additional finance by CDC loan, £140,000 at 31.12.56.
- (2) Profit £1,255 in 1956 (loss £9,181 in 1955).
- (3) Company supervised last few months' maintenance period of completed CDC Cocoa and Gusau–Sokoto roads contracts (see 1955 § 87).

## **89 Coast Engineering Ltd**

(Highways Engineering (Nigeria) Ltd in 1955 report)

- (1) (a) Wholly-owned subsidiary of Coast Construction (Nigeria) Ltd (see § 88); authorised and issued capital 10,000 £1 ordinary shares;  
(b) parent company took over CDC loan (£100,000 1955) in capital reconstruction during year.
- (2) Company owns workshops and contracting equipment.
- (3) Profit £6,102 in 1956 (loss £42,050 in 1955).

## **90 Kaduna Housing Company**

- (1) At request of Northern Government CDC agreed to contribute £10,000 in new company being formed in conjunction with Northern Government and Costains (West Africa) Ltd to build an estate of 400 houses at Kaduna for lease to Africans.
- (2) Share capital will be £30,000, 10,000 £1 shares being held by each of CDC, Northern Government and Costains (West Africa) Ltd; Northern Government has also agreed to make grants of £120,000 and loans of £200,000.
- (3) Management by Costains (West Africa) Ltd.

## **91 Lagos Executive Development Board**

- (1) Loan £1,250,000 finances reclamation and development of 772 acres at Apapa.
- (2) (a) Board may refund, or CDC retire, at end of ten, 20 or 30 years from 1.9.50; otherwise equal annual repayments 1.9.61–1.9.90;  
(b) guaranteed by Federal Government of Nigeria.
- (3) 1,060 plots (out of 1,254) were leased at 31.12.56; reclaimed area gives valuable industrial and commercial sites with close access to expanding port of Apapa.

## **92 Nigeria Housing Development Society Ltd**

- (1) In November 1955, following favourable investigation report by general manager, Malaya Borneo Building Society Ltd, Nigerian Federal Government invited CDC to establish a building society quickly to promote low-cost housing in Lagos on same lines as Malaya Borneo Building Society.
- (2) Negotiations—to everyone's frustration—suspended from December 1955 to August 1956 till new Act was through (see 1955 §. 91).

- (3) (a) Society incorporated 29.12.56;  
(b) authorised capital £1,250,000 in £1 ordinary shares—CDC 750,000, Federal Government 500,000;  
(c) CDC has agreed to provide £250,000 loan capital.

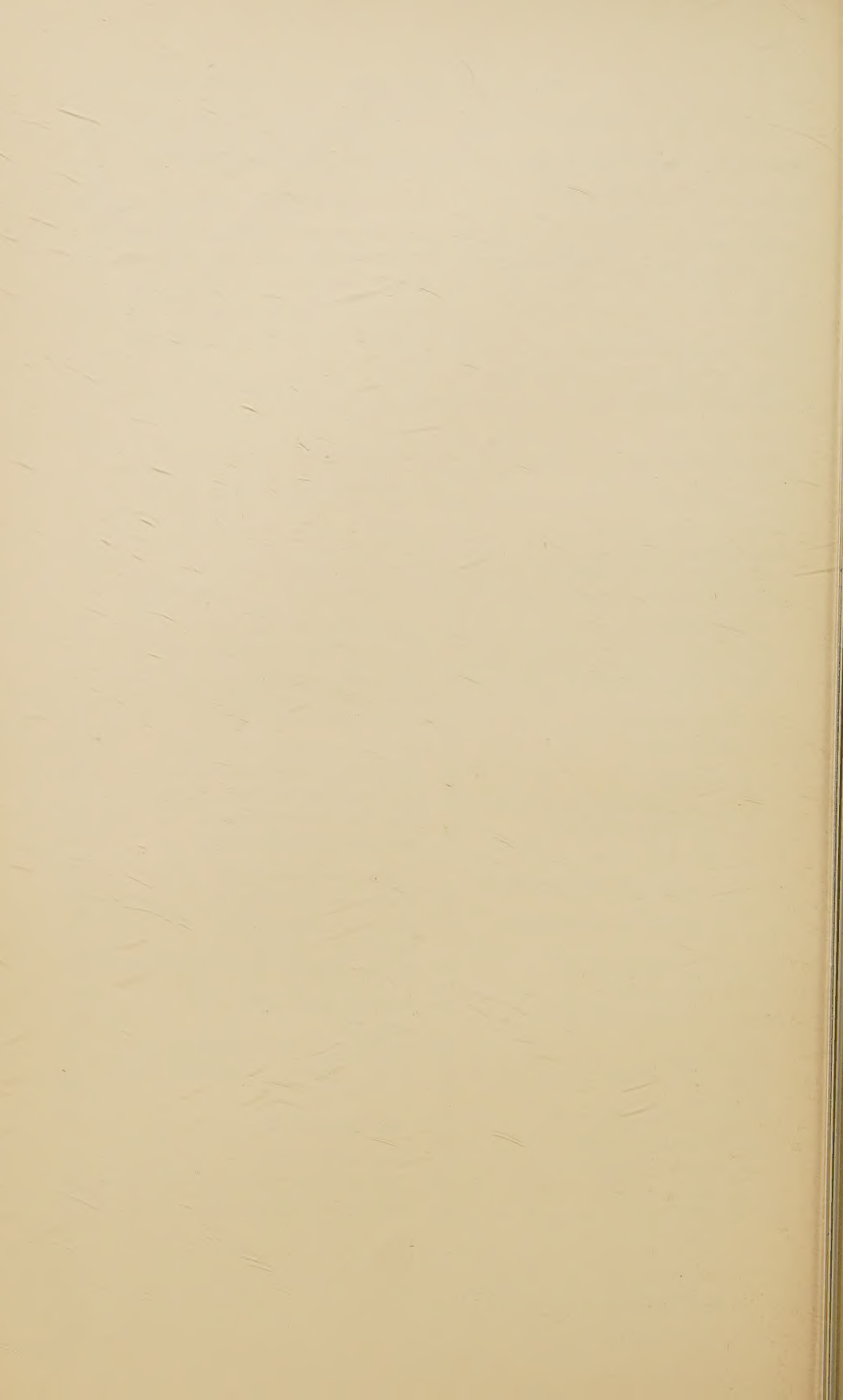
### 93 Omo Sawmills of Nigeria Ltd

- (1) (a) Issued capital £250,000 of which CDC held 161,497 £1 shares at 31.12.56; balance held by William Mallinson and Sons Ltd, a group of African timber interests headed by Chief T. A. Odutola, and by former shareholders of A. Norman Rushforth Ltd;  
(b) in 1950 Company obtained 429 sq miles of concessions in Omo and Oshun forest reserves of Western Region—1% to be cut annually.
- (2) (a) Efficiency improved further and production maintained its high reputation for quality; sawmill input was 14% higher than in 1955 and conversion rate 2% higher;  
(b) forest worked in 1956 was exceptionally rich in mahogany so sales rose to £249,641 of which 68% exported (£178,283 and 48% in 1955);  
(c) Company earned profit (£22,526) for first time since 1951 (loss for 1955 £3,759).
- (3) (a) CDC reports with regret retirement of Mr E. P. G. Annesley, managing director of Company since its formation; Mr Annesley stayed on to see new mill into effective operation and the 1956 profit must please him;  
(b) R. T. Briscoe Ltd (subsidiary of East Asiatic Company of Copenhagen), which has for some years operated a large sawmill and timber concession in Ghana, became managing agents on March 1st and have acquired a substantial shareholding.



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## COLONIAL DEVELOPMENT COROPORATION

Head Office: 33 Hill Street, London, W.1

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### Regional offices

|                                |     |     |                                                                             |
|--------------------------------|-----|-----|-----------------------------------------------------------------------------|
| Caribbean                      | ... | ... | Strathmore,<br>Culloden Road,<br>St. Michael 16,<br>Barbados. BWI.          |
| Far East                       | ... | ... | Macdonald House,<br>Orchard Road,<br>Singapore.                             |
| East Africa                    | ... | ... | Bombay House,<br>Victoria Street,<br>Nairobi,<br>Kenya.                     |
| Central Africa                 | ... | ... | Harvest House,<br>Baker Avenue,<br>Salisbury,<br>S. Rhodesia.               |
| High Commission<br>Territories |     |     | Eagle Star House,<br>80 Commissioner Street,<br>Johannesburg,<br>S. Africa. |
| West Africa                    | ... | ... | 5 Custom Street,<br>Lagos,<br>Nigeria.                                      |

